

*Baird*

*Department of State*

# bulletin



## INTERNATIONAL SECURITY PROGRAM FOR THE PRESIDENT SENT TO CONGRESS

Message of the President to the Congress . . . . .	725
Transmitted by Secretary Rogers . . . . .	726
Transmitted by Harold E. Stassen . . . . .	740

## COMMUNIST MEMBERS IN ITALY SENT TO HOUSE OWNERSHIP

REPORT FOR EXTENSION OF THE SMITH ACT • Transmitted by Secretary Rogers . . . . .	745
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# *The Department of State* bulletin

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## Mutual Security Program for 1954 Presented to Congress

### MESSAGE OF THE PRESIDENT TO THE CONGRESS<sup>1</sup>

I recommend to the Congress the passage of legislation extending the Mutual Security Program in order to enable the United States to carry out its responsibilities of leadership in building up the security of the free world and the prospects for peace both for ourselves and our allies.

The basic purpose of this program is simply the long-term security of the United States living in the shadow of the Soviet threat.

The program being submitted to you includes approximately \$5,250 million for military weapons and support directly to the defense efforts of our friends and allies. It also includes approximately \$550 million for technical, economic, and developmental purposes designed to promote more effective use of the resources of the free nations and thus to further the freedom and security of all of us. This total represents a reduction of about \$1.8 billion from the previous administration's 1954 budget.

The devotion of so large a portion of this request to military purposes is a measure of the peril in which free nations continue to live. The blunt, sober truth is that we cannot afford to relax our defenses until we have seen clear, unmistakable evidence of genuinely peaceful purpose on the part of the Soviet Union. As I strived to make clear to all peoples in my recent appeal for real peace and trust among nations,<sup>2</sup> we continue earnestly to hope for such evidence, so that the world may turn its energies and resources to serving the needs, rather than the fears, of mankind.

Until Soviet good faith is proven by deeds, the free nations must rely on their own strength for the preservation of peace. To fail to continue vigorously to strengthen our military forces would be to risk wasting all our efforts for the past five years in defense of our liberties.

Since the initiation of our major bipartisan foreign aid program in 1947, the accomplishments

of the free world have been very great. In Greece, the onrush of communist imperialism has been halted and forced to recede. Out of the ruins left by that aggression, a proud, self-reliant nation has re-established itself. Threatened economic and political collapse in Western Europe was averted through the intensive efforts of the great peoples of that continent aided by American resources. Revitalized economies in Europe today are producing more than ever before and are in a far better position to defend themselves from external or internal aggression. In the Near East and Far East, American aid is helping many new nations on their way to a better life for their citizens. And the free nations everywhere—realistically facing the threat of Soviet aggression—have in addition sought to create, with American assistance, the military strength essential to guard their security.

The Mutual Security Program for 1954 has been developed by the new administration after the most careful study and deliberation. All elements of the program have been reviewed in great detail, all proposals subjected to thorough scrutiny.

From this study I have come to certain clear conclusions.

*First:* The United States and our partners throughout the world must stand ready, for many years if necessary, to build and maintain adequate defenses.

*Second:* To accomplish this objective we must avoid so rapid a military buildup that we seriously dislocate our economies. Military strength is most effective—indeed it can be maintained—only if it rests on a solid economic base.

*Third:* We must help the free nations to help themselves in eradicating conditions which corrode and destroy the will for freedom and democracy from within.

*Fourth:* It is necessary to do more in the Far East. We are proposing to make substantial additional resources available to assist the French

<sup>1</sup> H. doc. 140; transmitted May 5.

<sup>2</sup> BULLETIN of Apr. 27, 1953, p. 599.



and the Associated States in their military efforts to defeat the Communist Viet Minh aggression.

*Fifth:* Since it is impossible to forecast precisely the year and moment when the point of maximum military danger may occur, the only prudent course calls for a steady military buildup, with our partners throughout the world, sustained and planned so as to use our joint capabilities with maximum efficiency and minimum strain.

We must and shall keep steadfastly on the course we have set. We must—so long as the present peril lasts—keep constantly growing in a military strength which we can support indefinitely. These basic principles were agreed upon and applied in the successful meeting of the North Atlantic Treaty Council just concluded in Paris.<sup>3</sup>

While the amounts requested for technical, economic and developmental purposes are small as compared with the military support, these programs are nonetheless of the most vital importance. They will be applied chiefly in South and Southeast Asia, the Middle East, Latin America, and Africa. Through these programs, the United States is proving its interest in helping the peoples of these areas to work toward better and more hopeful conditions of life, to strengthen the foundations of opportunity and freedom. To guard against the external military threat is not enough: we must also move against those conditions exploited by subversive forces from within.

I present this whole program to you with confidence and conviction. It has been carefully developed by the responsible members of this administration in order to achieve—at least possible cost—the maximum results in terms of our security and the security of our friends and allies. In my judgment, it represents a careful determination of our essential needs in pursuing the policy of collective security in a world not yet freed of the threat of totalitarian conquest.

Unequivocally I can state that this amount of money judiciously spent abroad will add much more to our Nation's ultimate security in the world than would an even greater amount spent merely to increase the size of our own military forces in being.

Were the United States to fail to carry out these purposes, the free world could become disunited at a moment of great peril when peace and war hang precariously in balance.

This is the way best to defend successfully ourselves and the cause of freedom.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,  
May 5, 1953.

<sup>3</sup> *Ibid.*, May 11, 1953, p. 673.

## STATEMENT BY SECRETARY DULLES

Press release 241 dated May 5

I am pleased to have this opportunity to appear before the Senate Foreign Relations Committee and the House Foreign Affairs Committee in support of President Eisenhower's Mutual Security Program for fiscal year 1954. Mr. Stassen, Mr. Wilson, and Mr. Humphrey will join in describing this program. Therefore, my discussion will deal primarily with the foreign-policy aspects of the program.

A main objective of the program is to get the most security for the least cost. The way to do that is to cooperate with others. The mutual program will produce more real security for the people of the United States than we could get by spending the same amount of money on a purely national program.

I want to make it clear at the beginning that this program has nothing to do with charity. It is based on solid considerations of self-interest. It is, in fact, an inseparable part of our own national security program.

Let me describe briefly some of the basic principles which underlie the program as a whole.

*First*, our country is confronted by a very grave threat. There is not yet any evidence that this threat has diminished or will diminish within the foreseeable future. We stand ready to seize every honorable and practical opportunity for a peaceful settlement of international differences. But, as President Eisenhower said in his recent message to the North Atlantic Council, "until the conditions for genuine peace have been firmly established it would be foolhardy for us to delude ourselves about the dangers confronting us."<sup>4</sup> We have no aggressive purpose ourselves. But we want to increase the likelihood that any aggressive intent of others will be curbed by the knowledge that the cost of aggression will be greater than any possible gain. That is not yet the case everywhere. But where it is the case there is more security.

*Second*, we recognize that the safety of the United States cannot be assured by the strength of the United States alone, indispensable as that is. When any nation falls victim to Soviet aggression, whether internal or external, the Soviet Union becomes stronger and U. S. safety is lessened. It is as simple as A, B, C. Aside from the tragedy to the people conquered, Soviet domination means that these people and their resources will be harnessed to the Soviet war machine and may be turned against us. If Soviet communism is permitted to gobble up other parts of the world one by one, the day will come

<sup>4</sup> Made before the Senate Foreign Relations Committee and the House Foreign Affairs Committee on May 5.

<sup>5</sup> BULLETIN of May 11, 1953, p. 673.



when the Soviet world will be so powerful that no corner of the world will be safe. On the other hand, if the free nations retain their freedom and develop their strength and unity, they can continue to make a vital, positive contribution to peace and security. Their soldiers will continue to stand beside our own, and their factories will continue to work with our own, in deterring and resisting aggression.

*Third*, other free nations will only continue to develop their strength and unity effectively if the U.S. is prepared to provide positive leadership. We cannot, of course, assume exclusive responsibility for the security of the whole world, and there are areas where those directly concerned should exercise greater responsibility. But unless the strongest nation in the free world takes an initiative, others can scarcely be expected to do so.

*Fourth*, this program of mutual security has been planned on a global basis. We cannot safely see only one area and be blind to others. All parts of the world are interdependent.

*Fifth*, our mutual-security planning must be and is long range. We cannot afford to exhaust ourselves by spasmodic programs designed to meet ever-recurring emergencies. We cannot operate on a day-to-day, hand-to-mouth basis. Instead, we must think in terms of the policies and programs that we can afford to live with for what may be a long period of years.

*Sixth*, this program is based on the principle that we and our allies alike must maintain an essential balance between our economic health and our military effort. The American economy is the very heart of the strength of the free world, but our resources are not unlimited and we dare not endanger our fundamental economic stability. The same is true of our allies. If economic stability goes down the drain, everything goes down the drain.

*Seventh*, this program is designed to get maximum value for all the money spent. The burden of this program is too great for us to finance "boondoggles." This program represents prudent investments in concrete projects which benefit the United States as well as other nations.

Finally, this program is aimed at retaining the initiative for peace which was seized in President Eisenhower's great address of April 16. We do not dance to any Russian tune; we take the lead in the search for peace. There are some indications that the Soviet leaders have already begun to react to the growing strength of the free world. It is imperative that we continue to increase this strength and thereby increase the chances for the success of our policies.

The principles I have stated relate to the Mutual Security Program as a whole. I would

now like to discuss briefly the program proposed for various parts of the world.

### Importance of NATO Area

A large part of the total amount is being requested for the European area. Most of this assistance is for purposes of military defense within the framework of the North Atlantic Treaty Organization. Let us consider why this area is so important.

As I mentioned in my recent report to the American people on NATO,<sup>6</sup> the United States and its NATO allies now have a three-to-one lead over the Soviet bloc in the production of steel. If Russia takes all of Europe, the ratio would be about 50-50. Today, the NATO countries as a whole have a five-to-two lead over the Soviet bloc in the production of coal. If Russia took all of Europe, the Soviet empire would have a three-to-two advantage in this vital fuel. It is clear that American security would be gravely imperiled by a Soviet conquest of Europe.

Now let's look at the other side of the coin. While our European allies remain free and strong they can make a substantial positive contribution to the defense of the free world, including the United States. Since the beginning of NATO, we have delivered to our European allies over \$10 billion in economic and military aid combined. But during this same period, they have spent about \$30 billion from their own budgets for defense purposes. The principle is the same which we apply at home to get protection against fire. We all contribute to the fire department and get better protection more cheaply than any one could get by himself.

Today there are approximately 75 NATO divisions in existence across the Atlantic, plus sizable air and naval forces. It is true that many of these troops need more training and equipment before they can be fully effective. However, let us not underestimate their value. The NATO forces already represent a significant deterrent to Soviet aggression and a real contribution to the protection of all NATO peoples, including the people of the United States. If these forces did not exist, we would need a much larger security establishment in the United States with an immense increase in cost, and hundreds of thousands more Americans in uniform.

As you know, the NATO Council met a few days ago in Paris. All agreed that it was vital not only to maintain NATO's strength, but to build it up. We faced a problem, however, because the NATO members have about reached the limit of their present ability to improve quality and at the same time to maintain the past rate of buildup in size of NATO forces. The situation obviously demanded a shift of emphasis. Rather than continuing to

<sup>6</sup> *Ibid.*, p. 671.

exhaust our resources in a precipitate military buildup, we have agreed to undertake a more gradual and more steady buildup which is consistent with U.S. and European economic capabilities. Greater emphasis will at this time be placed on the improved quality of NATO forces rather than upon immediate quantitative increases.

I do not want anyone to receive the impression that NATO is cutting back its program. Our plans call for NATO to move forward realistically toward a greater defense capacity. The program upon which we agreed for the calendar year 1953 provides for a moderate increase in the size of NATO forces as well as a very substantial improvement of their quality. If these plans are carried out, it is the judgment of our military experts that the NATO forces in Europe, by the end of this year, will be nearly 30 percent stronger than they are now.

Another major problem in Europe today is the attainment of European unity, and particularly the integration of Germany into the free European community. Without a German military contribution, there will be a most serious gap in the NATO defense system.

The plan which Europeans have devised for integrating their defense efforts and achieving a German contribution, as you know, is to create a common army under a European Defense Community (Edc). The French Premier, René Mayer, Italian Prime Minister de Gasperi, German Chancellor Adenauer, and the leaders of the Benelux countries are all solidly behind Edc. They have told me that they see no good alternative. They are doing their best to secure its approval by their respective national parliaments. It is inevitable that legislative bodies should want to give careful consideration to any step as far-reaching as Edc. But the reasons for Edc are so compelling that we must hope these parliaments will not long delay its establishment. I believe our own plans can be based on the present assumption that the nations of continental Europe will continue to do their share of the job of creating adequate defenses, and will be able to overcome the political obstacles that now stand in the way of a unified effort.

Turning from Europe to the opposite side of the world, the Far East, we find severe Soviet military pressures combined with extreme economic difficulties. The problems of this area are closely linked with those of Europe and are of great consequence to American security.

#### **Communist Threat to Far East**

Communist aggression in Indochina represents one of the most serious present threats to the free world. The present aggression against Laos is an extremely disturbing development. The primary responsibility for conduct of military operations rests upon France and the Associated States. Their manpower must do the fighting and they

are bearing a large part of the costs of the military effort. But they are clearly incapable of bearing the entire cost. Our mutual-security program provides \$400 million and some military end items for the purpose of helping the French and Indochinese peoples reduce this Communist pressure to manageable proportions. There may be some modest increase in aid of new and more vigorous plans.

We must materially strengthen the effectiveness of Chinese forces on Formosa. Defense measures in Formosa are closely dependent on economic stability, and it is also important that we assist directly in improving economic conditions. If Formosa can be made militarily strong and economically healthy, it may exercise a powerful attraction upon the enslaved people of Asia.

Japan is one of the prime targets of Communist expansion in the Far East. Under the Security Treaty with Japan, it is expected that Japan will increasingly assume responsibility, within its economic capabilities, for its own defense against direct or indirect aggression. This Mutual Security Program provides funds for weapons for Japanese internal security and home defense.

We are also requesting moderate funds which can be used for Thailand, the Philippines, and Indonesia, each of which faces grave problems of Communist origin.

Let us now look at the Near East and South Asia. The Near East is one of the main crossroads of the world and has great strategic importance. It has a large and growing population and important resources. This area is subject to Soviet pressures, attempting to take advantage of political unrest and economic distress. Western, and even American, prestige in this area has been deteriorating steadily, and the situation requires urgent and decisive remedial measures. Some of us are leaving Saturday to visit this area to get a firsthand impression of the problem.

Our program for this area provides for a continuance of technical-assistance projects at approximately current rates, maintenance of programs of relief and rehabilitation of refugees, and a limited program of economic aid for capital development. We also seek authority to undertake limited military-aid programs to the countries of the Near East, which will contribute to their internal security and will assist in promoting plans for peace between Israel and the Arab Nations, and in establishing a regional defense organization. While the total assistance sought for this area is not great, it can be vitally important.

In South Asia, which includes both India and Pakistan, we find a population as large as that of China. This population is still free from Communist control. However, present economic conditions in this area provide a happy hunting ground for the Communists.



It is vitally important in South Asia to move toward a solution of the twin problems of food and health. Both India and Pakistan have well thought out plans for economic development and have shown great initiative in going forward with these plans despite very limited resources. I believe that we are justified in some continuance of aid, though at a rate below what had been previously planned.

The programs of special economic aid planned for these areas are small in terms of total need, but can be of immense value, especially if they can be continued for several years.

#### **Increase in Aid to Latin America**

Moving finally to Latin America, I want to state my belief that the United States in the past has too often failed to give proper attention to our good friends with whom we have had beneficial political and economic relations for so many years, and who have assumed with us collective responsibility for the defense of this hemisphere. At present American private investment provides large amounts of capital which contribute to the improvement of economic conditions and living standards in Latin America, and we believe that private enterprise should continue to take the lead wherever it can. However, there are certain important needs which cannot be met by private capital. In view of the importance of this area, the program being presented to you proposes a moderate increase in our assistance to Latin America. This aid takes the form of technical assistance designed to improve living standards through diversification and increased productivity. It also includes limited military assistance to help the Latin American countries to place their military forces in a better state of readiness, so as to be able to cooperate more effectively in the defense of this hemisphere.

The total requested is \$1,772,000,000 less than was requested by the so-called "Truman" budget for the fiscal year 1954. The reduction is not as great as many of us would like to see, having regard to the need to balance the budget, to restabilize our currency, and, eventually, to reduce taxes. The reduction is, however, as great as, in our judgment, can be reconciled with the essential security of the United States.

It may be that developments, good or bad, may make it unnecessary or imprudent actually to spend all the sums here requested. You can be confident that the money not needed will not be spent. We do, however, say to you that we consider it would be imprudent and dangerous not to have available at least the sums we have requested. Indeed, it may well prove to be the case that we have not asked for enough.

In these matters, it is impossible to avoid taking risks. I believe that if we have erred, we have

erred on the side of asking for too little rather than for too much.

We should not disguise from ourselves the fact that the international situation is critical. For example, all of Southeast Asia is today in great peril, and if Indochina should be lost, there would be a chain reaction throughout the Far East and South Asia. Many countries which have always looked to the Western World and particularly the United States as the source of greatest power, both moral and material, are beginning to wonder whether the center of power has not shifted from Washington to Moscow. Even in the Western World there are non-Communist elements ready and eager to take power upon a platform of appeasement of Soviet communism, or at least benevolent neutrality toward Soviet communism.

At this juncture there are many forces at work within the United States which would result in a further abdication of leadership. There are those who would sharply raise our tariff. There are those who would sharply cut foreign aid. There are those who would seek to impose upon our friends and allies additional restrictions upon their trade with the Communist world even in terms of nonstrategic articles. There are those who would sharply cut the military contributions of the United States to NATO and other alliances.

If these things happen, then the United States will be isolated and in the greatest danger of its entire history.

In testifying yesterday before the Ways and Means Committee,<sup>7</sup> I referred to the fact that the present foreign-aid program will reduce budgetary and unallocated economic aid to our principal allies. They accept this in good spirit as a necessary part of a common program whereby we all try to bring our extraordinary security commitments into line with economic health. But if we do not do all that is possible within the limits of our economic health, then our purposes will be misinterpreted, and they will feel that their fragile economies are being subjected to multiple blows which are more than they can sustain.

It is the judgment of the President and his Cabinet and of the National Security Council, after the most intensive investigation, that the program here presented is, on the one hand, within the capabilities of the United States and consistent with moving as rapidly as possible toward a balanced budget, and, on the other hand, that anything appreciably less would be dangerous to our peace and security.

There is no "water" in this program to be squeezed out without taking greater risks than we believe are acceptable at the present time. I believe that this will be made apparent to you as you hear the further development of the facts through the statements to be made by Mr. Stassen, Mr. Wilson, and Mr. Humphrey.

<sup>7</sup> See p. 743.



**STATEMENT BY HAROLD E. STASSEN  
DIRECTOR FOR MUTUAL SECURITY<sup>1</sup>**

Following upon the clear and cogent policy statement by the Secretary of State, may I at the opening of my comments express my appreciation to the chairmen and members of the two Committees for the invitation to meet with you. . . .

It is my responsibility and my privilege to present for your consideration the broad outlines, the important details, the concepts, the methods, and the objectives of President Eisenhower's new Mutual Security Program.

This program is a reflection of the philosophy and the principles of the President so often and so eloquently expressed. Its objective is peace—peace with justice—peace with freedom—peace with progress. It seeks to bring about among the free nations mutual strength, mutual confidence, mutual understanding, and mutual progress.

Its twin consequences will be a rapid buildup of effective defensive strength in the free world and a steady advance in the standards of living of the free peoples. It means increased security for the United States.

The program will be carried out under the direction of the President in a manner closely integrated with the total program of the Government, taking guidance on foreign policy from the Secretary of State, on defense policy from the Secretary of Defense and, through him, from the Joint Chiefs of Staff, on financial policy from the Secretary of the Treasury, and with respect to budgetary practices from the Director of the Bureau of the Budget. It will utilize, whenever appropriate, the services and counsel of the other departments and agencies of the Government, such as the Departments of Commerce, Agriculture, Interior, and Health, Education, and Welfare.

In its administration, we will faithfully reflect the decisions of the Congress and will ever endeavor to serve the people of the United States.

**Details of the Program**

With this broad outline, may I turn to specific important details of the proposed Mutual Security Program.

As the President and the Secretary of State have indicated, the total of new obligational authority requested in the Mutual Security Program has been reduced from the previous 1954 budget by \$1.8 billion—from \$7.6 billion to \$5.8 billion.

Before discussing the several components of this total, several general statements concerning this figure seem appropriate. In the first place, it is the result both of an exhaustive review of our national security policies and of a detailed evalua-

tion of the operation and effectiveness of past and present mutual-security programs.

It represents the product of months of work by the National Security Council, where each of our security objectives was carefully studied, and its importance weighed in relation to the fiscal considerations that the Secretary of the Treasury will discuss with you. It reflects the findings which resulted from the careful, local studies which were recently made by special evaluation teams, comprised of nearly 60 outstanding leaders of American industry and finance, in 12 countries now participating in the program.<sup>9</sup> It mirrors the experience and knowledge which were gained by the Secretaries of State, Defense, and Treasury, and myself during our several trips to Europe and particularly in the course of the recent meeting of the North Atlantic Council in Paris.

In the second place, as the President has already indicated, we are hopeful, as a result of our present close and careful scrutiny of the present Mutual Security Program, of discovering certain savings in currently appropriated funds which can be applied to reduce somewhat the presently requested authorization for new obligational authority. The exact amount of any real savings can only be determined as we approach the close of the fiscal year. They depend upon the extent to which any of the specific requirements on which present programs were based have been eliminated and not replaced by new, comparable requirements, the extent to which reductions in the originally estimated prices of military equipment have occurred, and other similar factors.

In the third place, I should note in passing that the foregoing aggregate figure does not include something under \$100 million in local currencies which are already, or will become, available to the United States in the form of counterpart or as contributions by other governments and which are required to carry out the program presented. Finally, I should caution the Committees that this is a tight program in which no provision has been made for a number of contingent requirements which, because they are contingent, we felt should not be included. I refer particularly to possible requirements for additional economic assistance in Korea, especially if further increases are to be made in Rok forces, and to the possible need for aid in averting famine in Pakistan. I mention these because I think it is important for you to know precisely what is, and precisely what is not, included in the request for authorization which is now before you.

Within this \$5.8 billion total, slightly over \$4 billion is requested for mutual-defense material and training.

Of this amount approximately \$2.53 billion is

<sup>1</sup> Made before the Senate Foreign Relations Committee and House Foreign Affairs Committee on May 5.

<sup>9</sup> For Mr. Stassen's announcement of the appointment of these teams, see BULLETIN of Mar. 2, 1953, p. 337; for a summary of the teams' reports, see MSA press release dated May 8.

requested for the European area, about \$1 billion for the Far East, slightly under \$475 million for the Near East, and \$20 million for Latin America.

Within the \$5.8 billion, \$995 million is requested for mutual-defense financing. This portion of the program is designed to assist certain countries in Europe and the Far East in carrying out important defense objectives in a manner which will prevent their own budgets from remaining in disastrous imbalance.

Of this amount, \$400 million would be utilized for the procurement of equipment, materials, and services which are required by, or are necessary for the support of, forces of France which are located in Indochina and forces of the Associated States of Cambodia, Laos, and Vietnam.

Of the total amount of \$995 million for mutual-defense financing, \$100 million is intended for the manufacture in France of artillery, ammunition, and semiautomatic weapons which are required by, and are to be delivered to, French forces assigned to the North Atlantic Treaty Organization, and another \$100 million is designed for the manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area.

The provision of these amounts in the manner indicated, together with \$100 million which is requested to finance United States exports to the United Kingdom of wheat, cotton, and lard would have these effects:

Direct defense-financing assistance to the United Kingdom would be cut in half from 1953 to 1954. There would be a further reduction the following year, and early termination of all such assistance is contemplated. The resulting loss in dollars for balance of payments would be partially cushioned by increased earnings on jet aircraft and other military materiel contracts with the United States.

For France approximately 40 percent of the cost of the Indochina war would be covered by contributions in various forms from the United States.

In both of these situations, if the average taxpayers of the United Kingdom and of France continue, as they do today, to pay slightly more taxes proportionately than the average taxpayer in the United States, then each country can, with able management, adjust to the new program reasonably well and effectively carry out their extensive commitments for mutual defense and national security. I am convinced, however, that the amounts recommended are the very minimum which the United States should provide, and these amounts are directly related to the essential objectives of our country as well as theirs.

Two hundred and fifty million dollars is requested for Mutual Special Weapons Planning. This does not affect atomic weapons, which are controlled, as you know, by other legislation. It will include only such special weapons as the

President may determine, after the study of new weapons now under way by SHAPE is completed. Double safeguards should be included to insure that the security interests of the United States are served. Specifically, it is proposed that the President be responsible for determining, first, the wisdom of initiating the production of specified weapons of this type, and second, for any physical transfer of equipment or to provide training. With such safeguards, I am convinced that this \$250 million will, in the course of the next 4 or 5 years, prove to be the most important \$250 million in the defense portion of the Mutual Security Act.

One of our greatest assets in defense is the productive and scientific genius of the free peoples. The objective of NATO defense planning, as of American defense planning, has not been one of matching man for man a potential army of aggression, but rather of making our forces as effective as possible through a combination of training and modern weapons. The special new weapons that are now beginning to enter production or are nearing the completion of development must be a part of that planning if we are to create, with a minimum cost, the most effective defensive shield. We are thus proposing to take at this time those steps that are appropriate that will make possible the sharing with our allies of the industrial and scientific advances that can make our people more safe from attack and our collective armed forces more secure and effective in combat.

Smaller amounts are involved in the mutual development and technical-progress programs, approximately \$315 million for economic aid directed toward development and about \$140 million for technical cooperation. Of the \$315 million, \$30 million represents a request for an authorization, but not at this time for an appropriation, to cover anticipated future contributions to UNRWA (the United Nations Agency for the Relief and Resettlement of Arab Refugees). These amounts are predominantly for India and Pakistan, for Southeast Asia, for the Near East, and for Latin America and Africa. These amounts are much less than the direct defense portions but the programs which they cover may well prove to be the most important of all in their ultimate effect.

India has a well conceived plan for long-term development now under way. Moderate assistance for 3 years should be anticipated, but only one year is included in the 1954 fiscal year program.

The multilateral organizations whose work advances the broad security and humanitarian objectives of the Mutual Security Program together require a little more than \$100 million. This amount includes funds for our proposed contributions to the United Nations International Children's Emergency Fund (UNICEF), United Nations Technical Assistance (UNTA), the Organization of the American States, the United Nations Korean



Reconstruction Agency (UNKRA), and the Inter-Governmental Committee for European Migration. Our support of these programs is in furtherance of President Eisenhower's inaugural statement that "respecting the United Nations as the living sign of all people's hope for peace, we shall strive to make it not merely an eloquent symbol but an effective force." Because of the great humanitarian and economic importance of these international programs to the free world, we must continue to assume leadership in making them succeed.

Of these five multilateral undertakings, three are integral parts of the U.N. system, one is solely inter-American, and one is organizationally outside of the U.N. framework. The total effort and accomplishments of all of these, however, have come to be regarded by less fortunate people everywhere as concrete evidence that the leading free nations are willing to back expressions of concern and interest with tangible deeds.

#### **Vital MSP Objectives Can Be Attained**

I realize that some will sincerely feel that this proposed program cuts too deeply and too sharply into the amount of the previously planned program. I realize that others will sincerely feel that even more drastic reductions should now be made.

It is our considered conclusion after careful study that the vital objectives of our country in the Mutual Security Program can be attained through this reduced amount if wisely used in the new program.

It is also our considered conclusion that these recommended amounts are urgently needed in the interests of the safety and security of our country.

It is our pledge that these funds will be administered with extreme care and that throughout the year every opportunity will be seized for further savings when they can be made without prejudice to our country's objectives. As I have also stated we expect to make moderate but important savings in the 1953 program which will be reported to the committees later and can be credited against the amount now requested for the new program.

This new Mutual Security Program in President Eisenhower's administration will have these characteristics:

1. Longer-range planning and programing with open discussion of future requirements, subject always to the annual decisions and reviews of Congress.

2. Earlier attainment of strong defense capabilities through more rapid deliveries of critical items and more thorough training of forces in being.

3. Constant insistence on the importance of economic stability and an expanding gross national product among the free nations as the essential foundation for sound defense.

4. Accelerated planning for the use of new weapons for the defense of the free nations against threatening totalitarian thrusts.

5. Full enlistment of the cooperating defensive strength of all nations who oppose the Soviet Communist power.

6. Expanded use of the production capacity of Europe through a combination of U.S. and multi-nation orders which will permit efficient mass production of NATO arms and the consequent establishment of a better production base in Europe.

7. Steady development of the natural resources and the people's capabilities in the less advanced areas of the free nations.

8. Gradual expansion of fair and profitable trade between the free countries.

9. Broader cooperation with voluntary organizations engaged in similar activities with emphasis on the "people-to-people" relationship.

10. Increased reliance upon private capital for all phases of economic accomplishment.

11. Alertness and willingness to adjust to any new conditions, in accordance with the President's April 16 address.

In other words, we seek a rapid, sure-footed climb with our partners to a high plateau of secure preparedness, and then, shoulder to shoulder, an advance along that plateau toward peace and better living for ourselves and for others.

Without minimizing the difficulties and obstacles we face, I do have confidence that this Mutual Security Program can be carried through successfully. This confidence is rooted in my deep and abiding faith in the freedom and the inherent dignity of men.

It is strengthened by my regard and appreciation for the superb abilities and excellent teamwork of the officials of the administration upon whom so much of this program depends, the Secretary of State, John Foster Dulles; the Secretary of Defense, Charles Wilson; the Secretary of the Treasury, George Humphrey; and the Director of the Bureau of the Budget, Joseph Dodge.

It is fortified by my knowledge of the high caliber and the devotion to duty of the members of the uniformed services of our country, the Army, Navy, Air Force, and Marines, upon whom so much of our work depends.

It is fed by my conviction of the truly great qualities of the peoples, and of the leadership of the other countries with whom we work in the Mutual Security Program.

Regardless of the cynics, the defeatists, the timid souls, and the shortsighted ones, let us move forward with faith and determination, with realism and sound planning. Thus will we, in the United States of America, be worthy of our national power and responsibility, and of our opportunity in 1953, under the leadership of President Eisenhower.



## Support for Extension of Trade Agreements Act

*Following are texts of statements made by Secretary Dulles and the Director for Mutual Security, Harold E. Stassen, before the Ways and Means Committee of the House of Representatives on May 4 and May 5 respectively.*

### STATEMENT BY SECRETARY DULLES

Press release 233 dated May 4

The President has recommended that the Congress extend the present Reciprocal Trade Agreements Act for a further period of one year.<sup>1</sup> I wish to speak in support of that recommendation.

The President has a simple purpose. It is to avoid a committal, or appearance of committal, to a changed tariff policy before that policy can be coordinated with other new and related policies. We want all of the parts to add up to a coherent whole and not cancel each other out. Only thus will they truly serve the welfare of our people.

The President proposes to use this year, or as much of it as is required, for study which will have the full participation of the public and the Congress. He has recommended that for this purpose a Commission be established consisting of five members appointed by him, three by the Speaker of the House, and three by the president of the Senate.<sup>2</sup> Extension of the Reciprocal Trade Agreements Act, in its present form, for an interim period of one year will give the time needed to make a fresh appraisal of what should be done.

There are a number of bills which have been introduced and referred to this Committee which would serve this purpose. I believe, however, that H. R. 4294 is not in accord with our present needs. It would not only enact special regulations on imports of petroleum, lead, and zinc but it would basically alter the operation of our present trade program. That would be to commit ourselves to future policy before we can be sure that such policy is that which, added up with others, will produce the best results.

As we begin the task of reassessing our foreign economic policy, we are confronted with a number

of basic facts. This nation has become the center of the economic system of the free world. We in this country account for 50 percent of the total production of non-Communist countries. We are the world's largest exporter and the world's largest importer. We are the greatest creditor nation in the world and the most important single source of the free world's capital needs. We lead in the development of new inventions and new skills.

This strength of ours is something for which we are all devoutly thankful. In part it comes from the good fortune which spared us the physical destruction of two world wars. In part it comes from an abundance of natural resources. Even more, it comes from our own efforts and from the national policies which have guided these efforts—policies which on the whole have, for 164 years, served our nation well.

We shall not continue to have strength and to enjoy national health except as we continue to follow wise policies. Those policies will not be wise unless they recognize the basic truth that no nation can long survive as a citadel of self-indulging privilege surrounded by massed human misery and despair. The United States is today a paradise compared to most of the world. But it could be a fool's paradise if we thought we could, with impunity, so act as to impede the honest substantial efforts of others to improve their lot.

It is enlightened self-interest for the strong to be considerate of the weak.

This timeless truth always operates. Sometimes it operates slowly. But today it operates quickly. There exists in the world a vast and powerful conspiracy directed against the United States. It seeks to prevail by bringing under its control those peoples who feel hopeless and who are despairing, and who thus readily lend themselves to a violent program of world revolution. Already one-third of all the people of the world have been made first the victims and then the tools of that conspiracy. A further reduction of the free world and an increase of the captive world cannot but have ominous consequences for the United States.

<sup>1</sup> BULLETIN of Apr. 27, 1953, p. 634.

<sup>2</sup> See p. 747.

## **Soviet Concept of Western Economy**

The leaders of Soviet communism have consistently proceeded on the theory that economics was the Achilles heel of the West. They have argued that the industrialized West depended upon raw materials and markets of the underdeveloped areas, and that if these areas could be subtracted from the economic domain of the West and brought under Communist control, the Western nations would not have left sufficient scope for the employment of their industrial machine. Then, it was reasoned, the Western nations would engage in violent competition among themselves which would put them at loggerheads so that they would readily fall victims, one by one, to Communist conquest.

That thesis was announced by Stalin in 1924, and his last political publication, that of October 1952, asserted that so much of the world had now been alienated from the West that Britain, France, and the United States could not make place for the postwar commercial activities of Germany and Japan. Stalin concluded that the Soviet leaders could now reliably assume that Britain and France would gradually "break from the embrace of the United States," and that Western Germany and Japan could be counted on to "try to smash United States domination." Then would come what Stalin foresaw in 1924 as the "moment" for the "decisive blow."

Stalin reasoned that these developments were, as he put it, "inevitable." In that he was surely wrong. But we too would be wrong if we were blind to the fact that the Communist thesis includes some valid elements. We could by our own mistakes make Stalin's predictions come true.

Our political, our security, and our economic interests mesh. The fact is that the ability of other free countries to resist Communist aggression and their willingness to unite with us on certain common-security policies depend largely upon their economic well-being. That in turn is influenced by our own economic policies, including our tariff policy.

The present administration is attempting to shape U.S. policies to what it believes are the overall needs of our nation. That involves consideration of our own budgetary, monetary, and tax problems. It involves reviewing our policies of military and economic aid to other friendly countries. It involves reconsideration of our defense program. It involves study of measures, such as the Battle Act, designed to restrict trade between the free nations and the captive world, which while commercially useful to the free world might be militarily useful to the Soviet world. It will also involve consideration of our trade and economic problems in relation to the welfare of other free nations—a welfare to which we cannot be indifferent, save at our peril.

The variety and difficulty of the problems we face emerge sharply as we consider specific areas

of the world. Western Europe, through its own efforts and with our help, has made large gains since 1946. Production of these countries has increased by 40 percent and exports have risen by 60 percent over the prewar period. Yet the Western European countries are unable to pay for all of the U.S. goods which they need, even though they are severely denying themselves many of the American goods their citizens want. Their gold and monetary reserves are very low in relation to current needs and the contingencies they face. They feel that their margin of safety is so slight that they dare not be venturesome.

We have helped these countries fill their current requirements for American products, including military defense items, by extraordinary aid. But this situation is unhealthy. It is not a basis on which a lasting alliance of mutually self-respecting nations can long continue. It can be corrected partly by measures taken by the countries of Western Europe themselves and partly by action by the United States.

The countries of Western Europe can do much for themselves by increasing their economic unity so that they more freely exchange their goods as between themselves. They need more and more to back their currencies with sound budgetary measures and productive efforts, so that their currencies will be a medium for expanding trade above the low level which always prevails when currencies fail to lift trade above what is virtually a barter basis. Sound U.S. foreign policies can do much to promote the unity and strength in Europe which are desired and sought by the peoples themselves.

## **Japan's Need for Markets**

If we turn to Japan, we find again a nation which buys much more American goods than it can pay for by sales to our country. Japan's problems are the more acute, because she has concerted her policies with those of the United States, which call for a very sharp curtailment of trade with Communist China. Thus Japan has been forced to turn elsewhere, and largely to the United States, for the food and raw materials which her population requires. But also Japan needs markets which provide the funds to pay for its imports.

In this connection, again, our foreign policies can help by promoting the development of the underdeveloped areas of South and Southeast Asia, where there could be a mutually beneficial trade with Japan. Here, again, however, the situation is complicated by Communist aggression in Indochina, which seeks to bring the "rice bowl" area of Southeast Asia under Communist rule.

There are underdeveloped areas of Asia and Africa and of this American Hemisphere which can find ways of better utilizing their own resources to promote their development. Here, too,

we have a part to play. By encouraging a climate which will attract American private capital to such areas, by extending public or private technical assistance where it will help, and by following trade policies which take sympathetic account of the problem of nations which depend on the production of one or two products, we can play a part in developing an amount of economic health and good will.

Also, we must remember that the internal strength of this nation depends upon wise foreign-economic policies. Imports are occasionally disturbing. But a check on exports would be equally disturbing. Vast segments of American agriculture, industry, and labor rely on large export markets for their prosperity. Our cotton, wheat, and tobacco growers depend largely on export, as does the machinery industry. The entire industrial activity of the United States is heavily dependent upon imported raw materials and will grow more dependent on those materials as time goes on. Moreover, our American taxpayers should not be expected indefinitely to shoulder the large grants-in-aid that have recently been supplied by the United States to bolster foreign economies. Finally, hundreds of thousands of private Americans, as well as the Government itself, have large investments throughout the world, and their value is seriously affected by the amount of dollars foreign countries have to pay for interest and to repay principal.

Accordingly, our own national self-interest will be advanced by balanced measures which take into account the varied interests of the different segments of our national life. Sporadic acts, designed to help particular interests, without regard to the whole, will not in the long run be beneficial.

I certainly would not suggest that the answer to all our problems is to be found in a new U.S. tariff act which would further reduce our customs duties which in many sectors are already low. I do not think that domestic industry and agriculture should be sacrificed in the interest of exporters or that local business should alone pay the price of foreign policies designed to promote international unity and economic health.

What I do feel strongly is that every segment of our nation will eventually suffer if our economic and foreign policies are a maze of contradictions. This would happen if new tariff policies were adopted before policies in other areas and the policies of other countries are more fully developed. If the Congress now took measures which foreshadowed a sharp increase in tariff protection, that would have very disturbing repercussions not only upon other national policies which are being formulated but also upon the policies which we hope other governments will adopt as a contribution to a total free world which will be more vigorous, more healthy, more unified, and more secure.

As the President said in his letter of May 2, this question of trade needs to be thoroughly studied

by a representative commission which will assume its responsibilities without any prior commitments or prejudices whatever.

### **"Standstill" Urged for Study Purposes**

I want to say to you that as Secretary of State I have no preconceived ideas and no policies to which I feel committed. I have a completely open mind. That is why I can conscientiously urge that there be in effect a "standstill" until this problem can be studied under fresh auspices in its relation to the complex problems into which tariff policy must be fitted. That is why I urge that H.R. 4294 should not now be adopted. Its present adoption would have serious international repercussions injurious to the best interests and welfare of the United States. It would be taken, throughout the free world, to forecast U.S. trade policies which would make it impossible for them to live without increasing association with and dependence on the Communist world.

In Paris last week, Secretary Humphrey, Secretary Wilson, Mr. Stassen, and I had talks with representatives of various foreign governments and we forecast a coming reduction in economic and budgetary aid from the United States.<sup>3</sup> This was accepted in good spirit by our friends. But their economies are still too fragile to absorb multiple shocks. Therefore, we strongly believe that the United States should not take tariff-lifting action at this time, before such action can be appraised in the light of our other governmental policies designed to permit balancing of the budget, stabilizing our currency, and, we hope, eventually cutting taxes, and doing all of this without jeopardizing the international relationships upon which our security largely depends.

Our nation has lived for 2 years under the present Trade Agreements Act. We have not only lived but lived well, and are today enjoying a high level of productivity and employment. The present act contains provisions which enable special measures to be taken to protect special situations such as may exist, for example, in relation to the lead and zinc industries. Surely it is the course of wisdom not to depart from legislation which has served us well until we are quite sure that the legislation to replace it can better, or at least equally, serve our national welfare. That we cannot know until the entire field has been studied by such a commission as the President proposes. Therefore Mr. Chairman, in closing, I again urge that no change be made in the existing Trade Agreements Act; that it be retained unimpaired in its present form in the interim period of study which lies ahead; and that the commission asked for by the President be promptly established and put to work.

<sup>3</sup> For material on the North Atlantic Council Meeting, Apr. 22-25, see BULLETIN of May 11, 1953, p. 671.



## MR. STASSEN'S STATEMENT OF MAY 5<sup>1</sup>

I wish to thank you for this opportunity to appear before you to express the views of the Mutual Security Administration on the question of the extension of reciprocal trade. As you may know, for many years—since the days of my governorship in Minnesota, through the War, the San Francisco conference, my trips through Europe, Asia, and Africa, and more particularly now as Director for Mutual Security—I have been following closely the interrelationship of U.S. and world economic trends and conditions. It is with knowledge and conviction born of these years of study and observation that I wish to speak forthrightly with you on the question before your Committee.

Under President Eisenhower's inspiring leadership, the United States today is bringing new hope to the people of the free world—hope for lasting peace and for rising standards of living. You recall that on February 2 President Eisenhower in his State of the Union message to Congress set down certain fundamental points that form the basis of the foreign policy of an administration which received a powerful mandate from the people at the polls last November. Among these policy points, and these form the context within which this Government approaches the question of reciprocal trade, President Eisenhower said:

1. That no single country can stand alone against Communist aggression, as he said, "mutual security means effective mutual cooperation."
2. That our foreign policy recognizes the importance of profitable and equitable world trade.
3. That we aim to receive from the rest of the world in equitable exchange greater amounts of important raw materials which we do not now possess in sufficient quantity.
4. That the study of, and extension of, the Reciprocal Trade Agreements Act be carried out.

Then on April 7, President Eisenhower followed up his State of the Union address by sending to the Congress a special message formally recommending, first, that the present Reciprocal Trade Agreements Act be extended for one year and, second, that a thorough and comprehensive re-examination be made of the economic-foreign policy of the United States. (He has now recommended to Congress that a Commission of 11 members be established to carry out this study.)

Finally, in his great address of April 16 to the Newspaper Editors of America, President Eisenhower proclaimed that "We are prepared to re-examine with the most concrete evidence our readiness to help build a world in which all peoples can be productive and prosperous."

<sup>1</sup>Released to the press on May 5 by the Office of the Director for Mutual Security.

We are today at a crossroads in our foreign-economic policy. No aspect of American policy is more important than the course this Congress chooses to adopt in our economic relations with other nations. The economic stability and, therefore, the political stability of the free world will be influenced by the wisdom of your decision.

As I see it, the one guiding principle in setting our course of action should be: Does it help the U.S. and the free world to grow in strength and unity or does it help the Soviet in its program to divide and conquer the free world. To this end we should have as our objectives maintaining a high level of production and employment in a sound, dynamic, expanding American economy and, second, the positive strengthening and unification of our free world allies in rolling back and defeating Communist aggression. Stalin in his article in the Communist publication *Bolshevik* released last October at the 19th Party Congress regarded as inevitable, because he hoped and wanted it to happen, a trade war between the nations of the free world. Malenkov in his October 5 report to the 19th Party Congress was even more explicit:

American imperialism is acting today not only as an international exploiter and enslaver of nations but also as a force that is disrupting the economies of the other capitalist countries. . . . It is wrecking the historically established multilateral economic ties between the capitalist countries and replacing them by unilateral ties between these countries and the United States. Boosting their exports through the most unscrupulous dumping while at the same time closing their home market to foreign goods . . . the economic policy pursued by American imperialists is bound to aggravate the antagonisms between the United States and other capitalist countries.

If we wish to prevent the realization of Stalin's and Malenkov's predictions and hopes, if we wish to thwart the Communist policy objective of dividing the free world, then can there be any question at all that we do not want to reverse the trend of the past two decades and raise again trade barriers to the goods and services of our friends?

In terms of our foreign-policy objectives set down by the President and in terms of the objectives of the Mutual Security Act which require me as Administrator to "strengthen the mutual security of the Free World" and "to develop their resources in the interest of their security and independence and the national interests of the United States," let me cite a few facts:

### Results of Reducing Exports

1. If we reduce our exports what happens? We hurt America and we hurt our friends abroad. In 1952 we exported roughly 10 percent of the total movable goods (agricultural products, manufactures, etc.) that we produced. Our wheat farmers exported 48 percent of their total production in 1952, our cotton farmers 37 percent, our tobacco farmers 25 percent. Our machine tool manufacturers 11 percent of their production in 1952, our

tractor manufacturers 23 percent of their production. These are but a few examples of the extent to which American farmers, laborers, and businessmen depend on exports for their own livelihood. With large surpluses of butter, cheese, dried milk, and cotton in our storage warehouses, it is emphatically important that we must export more not less or our American taxpayer will be paying more in terms of price supports. If we reduce our exports we hurt our own people but we also hurt our friends abroad and allies who are dependent on these imports which are vital to their own economies and to the free-world defense. For example, the United Kingdom in 1952 imported from the United States about 10 percent of its total imports and its total imports were about a fourth of the U.K. total consumption. Japan, to take a country on the other side of the world, imported from the United States about 30 percent of its total imports which too represented a considerable portion of its total consumption.

2. If we try and balance payments by continuing large-scale aid indefinitely we either increase our taxes or our debt—perhaps both. We weaken the basic morale and initiative of our friends. We play into the hands of the Soviet propagandists.

Any industrial country such as the United States which depends on the outside world 100 percent for its tin, 100 percent for its mica, 100 percent for its asbestos, 100 percent for its chrome, 99 percent for its nickel, 93 percent for its cobalt, 95 percent for its manganese, 67 percent for its wool, 65 percent for its bauxite, 55 percent for its lead, 42 percent for its copper is unwise in terms of its own self-interest to raise new trade barriers.

I submit to you that at this juncture in the development of unity and strength among the free nations the present Reciprocal Trade Agreements Act should be extended and, as the President has recommended, a thorough study and re-examination of the facts should be carried on to allow us to set the best forward course.

## **President Recommends Commission To Review Commercial Policy**

White House press release dated May 2

*The President on May 2 sent the following letter to Vice President Nixon and Speaker of the House Joseph W. Martin, Jr.:*

In the Message which I sent to the Congress on April seventh requesting a one-year extension of the present Reciprocal Trade Agreements Act,<sup>1</sup> I referred to the need for a thorough reexamination of our whole foreign economic policy.

I now recommend that a commission be estab-

<sup>1</sup> BULLETIN of Apr. 27, 1953, p. 634.

lished to make this review. The review should provide the basis for action during the next session of the Congress.

It is my belief that the proposed commission should be made up of members of the Congress appointed by the Vice President and the Speaker of the House, and members appointed by myself from outside the Congress. It should be representative of both major parties. This is appropriate since commercial policy is an integral part of our total foreign policy for which broad national support is vital.

This commission naturally should work within the framework of our foreign policy and our global defense plans. Close liaison should be maintained with the group set up under the auspices of the State Department to follow up the economic and financial talks held earlier this spring between the United States and various European countries.

The commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains.

An inquiry of this nature is imperative. The economic policy of this nation exercises such a profound influence on the entire free world that we must consider carefully each step we take. Changes in foreign economic policy—even those which at first have relatively slight consequences within this country—may either strengthen our allies or plunge them into a downward spiral of trade and payment restrictions, lower production, and declining living standards.

Our foreign economic policy also has important implications here at home. Declining imports will necessarily mean falling exports, resulting in a serious loss of markets for our agriculture and other industries. Expanded imports may require some adjustments in our country. We must make sure that changes in foreign economic policy consonant with our position as the world's greatest creditor nation do not benefit particular groups at the expense of the national welfare, but we must also make sure that such changes do not place unequal burdens on particular groups.

As I indicated in my previous Message, the achievement of a strong and self-supporting economic system in the free world, capable of providing adequate defense against aggression and of achieving rising standards of living, must be a cooperative effort. Through increasing two-way international trade and stimulating in every practical way the flow of private investment abroad we can strengthen the free world, including ourselves, in natural and healthy ways. By so doing, we can lessen and ultimately eliminate the heavy burden of foreign aid which we now bear. Both



we and our friends abroad earnestly desire to see regular trade and investment replace grant assistance.

In launching a broad-gauge study into the question of what our foreign economic policy should be, I think we can prepare the way for a fuller utilization of the economic strength of the free world in the cause of peace and prosperity.

Sincerely,

DWIGHT D. EISENHOWER

## World Trade Week

### *Statement by Secretary Dulles*

Press release 267 dated May 15

The special significance of World Trade Week at this critical time in international affairs is emphasized by President Eisenhower in proclaiming the national observance of this week.<sup>1</sup> He stated: "... international trade among the nations of the free world adds to the economic strength upon which their common defense is based."

Our defenses are involved. As the free world seeks to build its defensive strength it is essential that we establish a solid economic foundation. Without such a foundation our cooperative political and military structure is built on quicksand. International trade plays a key role in this program.

The Soviet leaders, past and present, are aware of the close relationship between our trade policy and the West's defense effort. They have consistently proceeded on the theory that economics is the free world's Achilles heel. Stalin and his successors have predicted an inevitable trade conflict between the nations of the free world which will bring in its wake the certain disintegration of free world unity and the ultimate world triumph of communism. More than that, the Soviet Union is working constantly to encourage such a split in the free world.

The free world must prove these predictions wrong. But we cannot do so if we are blind to the fact that the Communist thesis includes some valid elements. We could by our own mistakes make the Soviet predictions come true.

We must recognize that our political, security, and economic interests cannot be divorced. As a matter of fact, the ability of the free nations to resist Communist aggression and their willingness to cooperate with us on common-security policies depends upon their economic well-being. That is, in turn, influenced by what our economic policies, including our tariff policy, will be.

President Eisenhower has recommended the establishment of a bipartisan commission to develop recommendations for a foreign-economic

policy adequate to the needs of these critical times. Public discussion during this World Trade Week and understanding of the issues involved will help this Government meet the responsibilities in the free world which fate has thrust upon us.

## Proposed High-Level Conference With the Soviets

*Following is the text of a statement made on May 13 by Michael J. McDermott, Special Assistant for Press Relations, regarding a high-level conference with the Soviets, which Sir Winston Churchill proposed in the House of Commons on May 11:*

Prime Minister Churchill's statement concerning a high-level conference with the Soviets is a further manifestation of his own high purpose and of the fervent desire of all the peoples of the free world to achieve a just and lasting peace. Such a peace is a goal toward which we and our free world Allies are devoting our constant effort so that we may help all peoples toward better standards of living. Recently President Eisenhower stressed his willingness to do all within his power to ameliorate existing international tensions and to meet the other side halfway when and if there is concrete evidence that such a meeting would produce positive results. The President indicated in his speech of April 16<sup>1</sup> those places in Asia and Europe toward which we should look for such evidence. Indeed, at the present time, negotiations at Panmunjom and pending negotiations with respect to Austria afford opportunity for the Soviets to demonstrate the sincerity of their avowals about the peaceful settlement of major international issues. Such a demonstration would help to pave the way toward a high-level conference.<sup>2</sup>

<sup>1</sup> BULLETIN of Apr. 27, 1953, p. 599.

<sup>2</sup> At his press conference on May 14 the President said in answer to a question about Sir Winston's proposal that the State Department had released a statement with his approval. All these things, he said, were manifestations of the free world's great longing for some kind of peaceful composition of our difficulties in the world. The question was when the heads of state, who were very busy men, could meet and discuss these things with some promise of progress.

He personally was ready to do anything, the President continued; the only thing he believed the dignity and self-respect of the United States demanded was that we had some reasonable indication that progress could be made. He did not insist that complete progress be achieved or that any great blueprint for the peace of the world come out of such a conference; just that something that could be called progress be made.

He had no objection to Sir Winston's proposal, he concluded, but he would like, before he committed this Government to participate, something that would be evidence of good faith all around.

<sup>1</sup> BULLETIN of May 18, 1953, p. 716.



## German Libraries in Italy Restored to Former Ownership

Following is the text of a Department announcement (press release 230 dated May 1, annotated by Ardelia R. Hall, Arts and Monuments Adviser, Division of Overseas Information Centers), together with the text of an agreement signed at Rome on April 30.

### DEPARTMENT ANNOUNCEMENT OF MAY 1

Clare Boothe Luce, on behalf of the U.S. Government, and the Ambassadors of the British and French Governments, the Italian Premier, and the Ambassador of the German Federal Republic on April 30, 1953 signed an agreement at Rome transferring four German institutes in Italy and their libraries, collections, and property to the Federal Republic of Germany for restoration to former legal ownership and administration.

A cultural accord was signed at Rome on February 27, 1953, by Konrad Adenauer, Chancellor of Germany, and Alcide de Gasperi, the Italian Premier, in accordance with the prior decision of the United States, the United Kingdom, and France to restore the institutes to the Federal Republic. The signing of the five-power agreement marks the conclusion of the negotiations.

The libraries since their return to Italy have been under the joint control of the United States, the United Kingdom, and France. They were stored during the war in the salt mines of Austria and in a monastery in Germany. They were returned in 1946 from the American Occupied Zones by Gen. E. E. Hume and Gen. Lucius D. Clay and placed under the control of the Allied Commission for Italy.

The restitution of the institutes is in conformity with established Allied policies of respect for German cultural institutions, observed throughout the American, British, and French Zones of Germany. The reopening of museums, libraries, and universities was among the earliest acts of the Allied Control Council in Berlin. The American policy specifically stated that its objectives were to protect and preserve German-owned cultural materials and works of art and the contents of museums, libraries, and archives, and to complete

the transfer of administration to the responsible German agencies.<sup>1</sup>

The history of the four institutes in Italy under the direction of learned societies in Germany has been fully published. They include the German Archaeological Institute of Rome,<sup>2</sup> the German Historical Institute,<sup>3</sup> the Hertziana Library,<sup>4</sup> and the German Institute of the History of Art of Florence.<sup>5</sup> They were established in 1829, 1881, 1911, and 1897 respectively, for the advancement of research in Italy in the fields of

<sup>1</sup> Office of Military Government for Germany (U.S.), *Military Government Regulations, Title 18: Monuments, Fine Arts and Archives* (Change No. 1, 12 February 1947, Berlin), par. 18-111 and 18-113; *Germany 1947-1949—The Story in Documents*, Department of State publication 3556, p. 619.

<sup>2</sup> The German Archaeological Institute, Rome Branch (Deutsches Archäologisches Institut, Römische Zweiganstalt) was administered by the German Archaeological Institute, with headquarters in Berlin. The foundation of the Institute and its early history are set forth in the following references: *Bullettino degli Annali dell' Istituto di corrispondenza archeologica per l'anno 1829* (Salvini, Rome, 1829), pp. III-viii, "Manifesto di associazione," and pp. 66-70; *Annali dell' Istituto di corrispondenza archeologica*, vol. 1 (1829); Gerhart Rodenwaldt, *Archäologisches Institut des Deutschen Reiches 1829-1929* (Walter de Gruyter, Berlin, 1929).

<sup>3</sup> The German Historical Institute (Deutsches Historisches Institut) was founded under the name of the German Historical Station of the Royal Academy of Sciences, following the opening of the Papal secret archives. The early history of the Institute is given in the following volume: Walter Friedensburg, *Das Königlich Preussische Historische Institut in Rom in den dreizehn ersten Jahren seines Bestehens 1888-1901* (Verlag der Königl. Akademie der Wissenschaften, Berlin, 1903).

<sup>4</sup> The Hertziana Library (Bibliotheca Hertziana) was bequeathed to and administered by the Kaiser Wilhelm Gesellschaft für Kunstwissenschaft, now the Max-Planck Gesellschaft. An account of the Hertziana Library and of the Palace Zuccari and its frescoes is found in the following references: Jean Paul Richter, *La collezione Hertz e gli affreschi di Giulio Romano nel Palazzo Zuccari*. Con una prefazione di Robert Mond. (*Römische Forschungen der Bibliotheca Hertziana* V, 1928. Privately printed. Leipzig); Werner Korte, *Der Palazzo Zuccari in Rom. Sein Freskenschmuck und seine Geschichte* (Verlag Heinrich Keller, Leipzig, 1935), also contains a bibliography on the Bibliotheca Hertziana, pp. 88, 89.

<sup>5</sup> The German Institute of the History of Art in Florence (Kunsthistorisches Institut in Florenz) was founded and

classical archeology, Italian painting, and Papal history. They were permanently located in Rome and Florence, cities which are vast repositories of the cultural heritage of Western Europe. They were ably administered for over a half a century in the service of generations of scholars. As such they come under the protective articles of international law in The Hague conventions of 1899 and 1907,<sup>6</sup> which proclaim the inviolability of all institutions dedicated to religion, charity, education, and the arts and sciences. The American position, that "the libraries are regarded by this Government as cultural property to be excluded from German external assets and to be returned to their rightful owners," was published in 1951.<sup>7</sup>

The magnificent libraries of these institutes, among the finest specialized libraries in the world, are their chief scholarly asset. Valued in the millions of dollars, they have been increased over the years by many private donors. The international group of scholars and patrons which founded the Archaeological Institute in 1829 generously supported it. Among the founders was the distinguished French archaeologist, Quatremère de Quincy, and the Institute exemplifies his famous analogy of "the universal republic of arts and sciences," as a spiritual republic in which peoples of all countries are members and share its lofty concerns.<sup>8</sup> The Institute grew with the acquisition of the von Bunsen collection in 1838, the Parthey Library, and the library of Baron Platner in 1878, and in recent years was deeded the estate of one of its directors. The Historical Institute began its library with a collection from the Royal Library of Berlin. The Florence Institute was developed by the members of an international society of friends of the Institute.

The Hertziana Library is a unique memorial to international good will. It was created by Henrietta Hertz and her British friends, Mr. and Mrs. Ludwig Mond, with her library and that of Mrs. Mond as a nucleus. Mr. Mond was a distinguished scientist and philanthropist. The Mond family and Miss Hertz are famous for their patronage of the arts, and they will always be remembered for

their farsighted beneficence in the foundation of the Bibliotheca Hertziana, for their enrichment of the museums of London and Rome, and for their generosity to the academies of the United Kingdom<sup>9</sup> and Germany.

Miss Hertz acquired a 16th century palace on the Piazza Trinità de' Monti from Mr. Mond and bequeathed it to the Kaiser Wilhelm Gesellschaft (now the Max-Planck Gesellschaft). In her unpublished will, Miss Hertz has clearly and beautifully expressed her intent that "the Palazzo Zuccari and its annexes, true to their tradition, may for all time serve the cultivation of art and science. With this in mind there has been established in the lower rooms, painted by Federico Zuccaro (1542-1609) himself, a library of the history of art which is to be located there permanently under the name of the Bibliotheca Hertziana . . ." so as "to establish in Rome a permanent seat of art rich in accomplishments." With the same objective, Miss Hertz also bequeathed her collection of paintings to the Italian State, "as a token of my affection for the country that I hold in such esteem as the seat of art in the past and, I hope, also in the years to come."

It is to honor the generous spirit of such benefactors who have dedicated their gifts to the public good that the four nations, Italy, France, the United Kingdom, and the United States, have restored the institutes and all their resources to the German learned societies in order that they may maintain the trust, which they have received from past generations, unaltered and undiminished.

#### TEXT OF AGREEMENT

WHEREAS the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, have in accordance with the right to dispose of German assets in Italy conferred upon them by article 77, paragraph 5, of the Treaty of Peace with Italy, decided to release from custody to the former German owners certain libraries and collections in Italy, namely

- (a) The Hertziana Library, Rome;
- (b) The German Archeological Institute Library, Rome;
- (c) The Library of the German Institute of Art History, Florence;
- (d) The Library of the German Historical Institute, Rome (hereinafter referred to as "the Libraries"), as well as certain properties, namely
- (e) The Villino Amelung, Rome;
- (f) The Palazzo Zuccari, Rome (hereinafter referred to as "the Properties").

AND WHEREAS the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America have agreed in the case of the Libraries and the Properties to release the Government of the Italian Republic (hereinafter referred to as "the Italian Government") from their obligation under Paragraph 3 of the Memorandum of Understanding regarding German assets in Italy signed in Washington on 14th August 1947.

The Governments of the French Republic, the United

administered by the Society for the Maintenance of the Institute of Art History in Florence (Der Verein zur Erhaltung des Kunsthistorischen Institutes in Florenz). The history of the Florence Institute is given in the following pamphlet and annual reports: *Kunsthistorisches Institut in Florenz 1897-1925* (pamphlet published on the 80th birthday of Wilhelm Bode); *Jahresberichte, Verein zur Erhaltung des Kunsthistorischen Institutes in Florenz*.

<sup>6</sup> *Convention (II) with respect to the laws and customs of war on land*, signed at The Hague, July 29, 1899, annex to the convention, article 56 (U.S. Treaty Series No. 403); *Convention (IV) respecting the laws and customs of war on land*, signed at The Hague, Oct. 18, 1907, annex to the convention, article 56 (U.S. Treaty Series No. 539).

<sup>7</sup> BULLETIN of Aug. 27, 1951, p. 345.

<sup>8</sup> Charles De Visscher, "International Protection of Works of Art and Historic Monuments," *Documents and State Papers*, June 1949, p. 824; reprinted as Department of State publication 3590.

<sup>9</sup> *Proceedings of the British Academy, 1913-1914*, pp. 10, 11.

Kingdom of Great Britain and Northern Ireland, the United States of America, the Italian Republic and the Federal Republic of Germany have agreed as follows:

## I

The Libraries and the Properties will be released from custody to their former owners, or to their successors in right, title or interest; or, in the event of there being any doubt or dispute in respect to any such right, title or interest, to the custody of the Government of the Federal Republic of Germany for eventual release to their lawful owners. All of such disposition shall be subject to the following terms:

- (a) The Libraries shall remain in Italy.
- (b) The Libraries shall be maintained by the owners as international centres of scholarship and research open to all nationals, and shall be administered in such a manner as to serve impartially and without discrimination the interests of scholars of all nations.
- (c) The Government of the Federal Republic of Germany waive on their own behalf and on behalf of the former owners or their successors all claims whatsoever against the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Italian Republic and all the agents and representatives of the said Governments in respect of the aforesaid Libraries and Properties, from the time of their removal from the control of the owners until their release as provided in this Article.

## II

The Italian Government, in consideration of the guarantees exchanged between themselves and the Government of the Federal Republic of Germany in the Exchange of Letters signed in Rome on 27th February 1953 and of their desire to emphasize the universal cultural interest of the Libraries, are prepared to assist in finding suitable premises for housing the Libraries of the German Archeological Institute and of the German Historical Institute, and to grant to the Libraries, within the limits of the law, the same facilities which they enjoyed in the past.

## III

This Agreement shall enter into force upon 1st May 1953. In witness whereof the undersigned, being duly authorised thereto by their respective governments, have signed the present agreement.

DONE at Rome in quintuplicate this 30th day of April 1953.

*For the Government of the French Republic*  
JACQUES FOUQUES DUPARC

*For the Government of the United Kingdom of Great Britain and Northern Ireland*  
VICTOR MALLET

*For the Government of the United States of America*  
CLARE BOOTHE LUCE

*For the Government of the Italian Republic*  
DE GASPERI

*For the Government of the Federal Republic of Germany*  
CLEMENS VON BRENTANO

## Unification of Austrian Exchange System

An initial par value for the Austrian schilling, at 26 schillings per U.S. dollar, has been established by agreement between the Government of Austria and the International Monetary Fund, the Fund announced on April 30.

May 25, 1953

The Austrian Government has informed the Fund that it is discontinuing all multiple currency practices and intends to pursue fiscal and credit policies designed to maintain the effectiveness of the par value. The new measures represent the latest in a series of steps, taken in consultation with the Fund, to achieve domestic monetary stability and make possible the unification of Austria's exchange rates.

The par value for Austria is as follows, effective May 4, 1953:

0.0341796	grams of fine gold per schilling;
910.000	schillings per troy ounce of fine gold;
26.0000	schillings per U.S. dollar;
3.84615	U.S. cents per schilling.

## New Meeting of Austrian Treaty Deputies

Press release 256 dated May 11

The President, in his speech to the American Society of Newspaper Editors on April 16,<sup>1</sup> called upon the Soviets to prove the sincerity of their peaceful words by performing those deeds which are now unquestionably within their power and which would materially enhance the prospects for peace. The President and Secretary Dulles have both pointed out that the Austrian question is one of several the resolution of which would demonstrate the good faith and peaceful intentions of the Soviets.

The United States, in concert with the United Kingdom and France, has had the question of an Austrian settlement under constant consideration since 1946 with a view to re-establishing the freedom and independence of Austria as promised in the Moscow Declaration of 1943, to which the United States, Great Britain, France, and the Soviet Union are committed.<sup>2</sup>

By the end of 1952 a total of 258 meetings of the deputies of these four powers had been held without producing final agreement on a treaty. On December 20, 1952, the U.N. General Assembly requested the four powers to do everything possible to arrive at a speedy settlement of the Austrian question. Two meetings of the Austrian treaty deputies were then held in London in February 1953, but no substantial progress was made.

The Secretary General of the treaty deputies has now called for a meeting to be held at London on May 27. The U.S. deputy, Walter C. Dowling, will be present at the meeting under instructions to do everything in his power to conclude an equitable Austrian settlement.

<sup>1</sup> BULLETIN of Apr. 27, 1953, p. 599.

<sup>2</sup> For a chronology of events relating to the Austrian treaty question, see *ibid.*, Aug. 11, 1952, p. 222.



## Visit of Indian Vice President

Press release 263 dated May 14

Upon the invitation of this Government, S. Radhakrishnan, Vice President of India, will come to Washington on May 20.

Mr. Radhakrishnan will stay at Blair-Lee House. During his visit the Vice President will call on the President and visit Mount Vernon and the Tomb of the Unknown Soldier at Arlington. On May 21 a dinner will be given in his honor by the Acting Secretary of State. On May 22 the Vice President of the United States will give a luncheon in his honor at the Capitol, and on the same day the Ambassador of India will give a reception at the Embassy. Mr. Radhakrishnan will leave by train for Canada on May 24.

## Laos Constitution Day

Press release 257 dated May 11

*Secretary Dulles transmitted the following message to the Prime Minister of Laos, Souvanna Phouma, on the occasion of Laos Constitution Day, May 11 (May 10, U. S. time):*

On occasion Laos Constitution Day, I am glad to express sympathy and admiration with which the United States Government and people have followed the valiant resistance of Laos to Communist aggression. This aggression was a particularly shocking act against a free constitutional government which has shown that it enjoys full support of its citizens in time of grave crisis. Your armed forces and those from other parts of the French Union are giving to the Free World a heartening demonstration of a brave and resourceful fight against aggression; a fight which I am confident will be successful.

## Greek Problems Discussed

Press release 255 dated May 9

Spyros Markezinis, Minister of Coordination of the Government of Greece, held discussions this week with the President, the Secretary of State, the Secretary of the Treasury, and the Director for Mutual Security concerning Greek defense and economic conditions.

The Government of the United States is fully aware of the severe difficulties which have continuously confronted the Greek people during the postwar years in suppressing armed Communist subversions, achieving the physical rehabilitation of Greece, and securing the internal stability of the country. It stresses once again its admiration for the progress achieved by the efforts and sacrifices of the Greek people and its wholehearted and continuing interest in the future of Greece.

This Government views with deep satisfaction the state of readiness of the Greek Armed Forces and the progress made by Greece with her friendly neighbors for defense against aggression. It recognizes that the considerable strides of Greece toward economic stability, attained by the vigorous action of the Greek Government, provide a sound basis for future economic development and represent a most encouraging achievement.

The Government of the United States welcomes the intention of the Greek Government to develop a long-term investment program. We hope that such a program will command support in Greece and abroad from those who would normally finance such a program. The U.S. Government insofar as it is concerned expects to continue, subject to congressional authorization, economic and military assistance to Greece, and the executive branch has asked Congress for mutual-security funds for this purpose for the next fiscal year. Such funds as well as funds previously appropriated for the current fiscal year will, we expect, help in the implementation of the long-term program referred to.

## U. S., Canada Discuss Mutual Problems

### Text of Joint Communiqué

White House press release dated May 8

The President of the United States, the Secretary of State, and other members of the Cabinet have held discussions during the last two days with the Canadian Prime Minister, Mr. Louis S. St. Laurent, and the Secretary of State for External Affairs, Mr. L. B. Pearson. The meeting continued a long standing practice of visits exchanged across the border between Prime Ministers of Canada and Presidents of the United States. The conversations consisted of a full and frank exchange of views on the world situation in general and on United States-Canadian relations in particular. They were conducted in that spirit of friendship and cooperation which has long been characteristic of official discussions between the two Governments and they revealed a far-reaching identity of objectives.

In a survey of the world situation today, the President and the Prime Minister gave particular emphasis to recent developments in the U.S.S.R. and the Soviet orbit and their effects upon the free nations of the world. It was agreed that while every effort should be made to bring about a relaxation of current tensions, the free nations could not afford to diminish their efforts toward the achievement of united strength and ability to meet aggression. Acts, not words, would be proof of Communist intentions. Though recent developments in Korea where Canadian and United States troops are fighting side by side have seemed

more hopeful, nevertheless, in Laos a new act of aggression has been committed which might have serious consequences for Thailand and the whole of Southeast Asia. These developments in Southeast Asia must cast doubt on Communist intentions.

In the discussions on the European area, emphasis was placed on the necessity of maintaining the momentum of vigorous support for NATO. The achievements of the recent NATO Ministerial meeting were noted with satisfaction. It was agreed that both countries must continue to do their full share to further NATO objectives.

Views were exchanged concerning progress made toward the expansion of world trade. It was recalled that trade between the United States and Canada is greater than that between any other two countries. The Prime Minister stressed the great importance attached by Canada to the liberation and expansion of world trade and expressed the hope that the United States would play a role of leadership in this field. The President stated that, as an interim step, the Administration has recommended to the Congress the one-year renewal of the Reciprocal Trade Act and intends to submit to the Congress shortly its proposals regarding Customs Simplification. The President also pointed out that he has recommended to the Congress the establishment of a Commission to study all aspects of United States economic foreign policy so that future policies will be comprehensive, constructive and consistent.

The Prime Minister emphasized the importance to Canada of an early start on the St. Lawrence project and the especial urgency to Canada of the power development. The President assured the Prime Minister that the United States is fully aware of Canada's urgent need for St. Lawrence power. He said that he favored the development of the United States share of St. Lawrence power under the authority of New York State and that he hoped for an early favorable decision by the Federal Power Commission in this matter. The President in this connection referred to the decision of the Cabinet on this subject announced today.<sup>1</sup> The Prime Minister said that the Canadian Government was still prepared to discuss United States participation in the international section, provided that arrangements for power construction are completed and provided the whole seaway would not be delayed. He stressed again Canada's readiness to proceed at once with the work under the Canadian St. Lawrence legislation of 1951.

Recognizing the importance to the free world of the adequate defense of the North American continent, the President and the Prime Minister emphasized the desirability and effectiveness of cooperation on the basis of the Ogdensburg Declaration of 1940, which established the Permanent Joint Board on Defense between Canada and the

United States. Post-war arrangements for continental defense have continued in this framework. It was recognized by the Prime Minister and the President that joint defense facilities erected in Canada under these arrangements strengthen the defense and the security of both Canada and the United States. The President assured the Prime Minister that the United States, for its part, in such joint actions will continue scrupulously to respect Canadian sovereignty.

The Prime Minister and the President reaffirmed the importance of continuing the wholehearted cooperation between the two countries in the field of continental defense, and in the wider field of international action designed to preserve and strengthen peace.

## **Special Committee's Report on St. Lawrence Seaway Project**

White House press release dated May 8

The Cabinet on May 8 unanimously approved a report by a special Cabinet Committee, appointed by the President to study the St. Lawrence-Great Lakes Seaway project. The Committee consisted of representatives of the Departments of State, Defense, Commerce, and the Interior.

The Committee proposed, and the Cabinet agreed, that participation by the United States in the seaway project is highly desirable, provided such participation is limited to the international section of the St. Lawrence between Lake Erie and Montreal.

The recommendation is consistent with the administration's policy of considering each major construction project on its merits and in terms of whether it should be a Federal, local, or private project or a combination of any two or all.

The recommendations of the Committee, as approved by the Cabinet, follow:

1. The interests of the United States, taken as a whole, make desirable participation in the St. Lawrence-Great Lakes Seaway project, limited to the international section of the St. Lawrence between Lake Erie and Montreal.

2. Participation by the United States should, however, be expressly conditioned on: (a) Satisfactory assurance that the underlying power project will go ahead, pursuant to appropriate authorization; (b) satisfactory assurance that Canada will go ahead with its part of the navigation project, in cooperation with the United States; and (c) predication of the project on a self-liquidating basis. The Committee is of the opinion that these conditions are reasonable and consistent with national policy.

3. Participation by the United States now in the construction and operation of a St. Lawrence River Seaway would increase its defense advan-

<sup>1</sup> *Infra.*

tages to this country, and would in time of emergency assure it of full benefits of joint participation.

4. Participation by the United States now in the project would strengthen our strategic position at all times respecting use of the seaway for transportation of basic materials.

5. Construction of the international rapids section canals on the U. S. side would be more economical than construction on the Canadian side and would result in lower tolls, and, because of its design, the American project would constitute in certain aspects a superior navigation facility.

6. The Committee is of the opinion that the St. Lawrence Seaway, Lake Erie to Montreal, so constructed and operated, would be self-liquidating over a projected period of 50 years.

7. The Committee feels that the early initiation and completion of the St. Lawrence-Great Lakes Seaway project in accordance with the recommendations contained in this report is in the national interest.

## Visit of Jean Monnet

Press release 250 dated May 12

Jean Monnet, Chairman of the High Authority of the European Coal and Steel Community, will pay a visit to the United States during the early part of June at the invitation of the U.S. Government. He will spend several days in Washington where he will call on President Eisenhower and other high officials to discuss the affairs of the European Coal and Steel Community and other matters relating to European unity.

Mr. Monnet will also visit New York where he will receive an honorary degree from Columbia University on June 2.

Since the establishment of the Coal and Steel Community on July 25, 1952, Mr. Monnet has visited the six countries which are members of this Community—France, Germany, Italy, Belgium, Luxembourg, and the Netherlands. He has also visited certain countries which are closely associated with the Community, including the United Kingdom and Sweden. During his visit to the United States, Mr. Monnet will be accompanied by a small group of other members of the High Authority.

Mr. Monnet is regarded as one of the outstanding leaders of the movement toward unity in Europe. He has had a distinguished career in business and public service dating back to World War I.

From 1919 to 1923 he served as first Assistant Secretary General of the League of Nations, after which he devoted himself primarily to business affairs until World War II. During the war he carried out a number of important assignments, first as a member of the French Purchasing Mission in Washington, later as a member of the British Purchasing Commission, and still later as chairman of the Anglo-American War Production Board. In 1944 he became head of the French Economic Mission in Washington and negotiated the lend-lease agreement with the U.S. Government. He was a member of the French delegation to the UNRRA conference in Montreal in 1944, and to the U.N. conference in San Francisco in 1945. Mr. Monnet continued to serve the French Government in various capacities in the years following the war and attained international recognition as a leading proponent of the "unified market" in Western Europe. Together with his fellow-countryman, Mr. Schuman, he was one of the driving spirits in the development of the European Coal and Steel Community and was appointed Chairman of the High Authority of the Coal and Steel Community when it came into existence in July 1952. While directing Europe's first great experiment in a merger of sovereignty, Jean Monnet has continued to urge further steps toward the more complete political, economic, and military unification of Europe.<sup>1</sup>

## Brazilian Loan Agreement

The credit of \$300,000,000 authorized by the Export-Import Bank on February 21<sup>2</sup> to assist Brazil in liquidating its past due U.S. dollar accounts was formalized on April 30 with the signing of the loan agreement at the offices of the Export-Import Bank.

Glen E. Edgerton, Chairman of the Board of Directors, signed for the Export-Import Bank with Mario Leopoldo Pereira da Camara, Financial Counselor of the Brazilian Embassy, signing for the Banco do Brasil. Walther Moreira Salles, Ambassador of Brazil, and Ernani do Amaral Peixoto, Governor of the State of Rio de Janeiro, witnessed the signing.

The credit will be administered by the Banco do Brasil. All exporters entitled to payment should seek repayment through usual commercial channels from the Banco do Brasil and not through the Export-Import Bank.

<sup>1</sup> For an article on Mr. Monnet, see *Field Reporter*, January-February 1953, Department of State publication 4874, p. 27.

<sup>2</sup> BULLETIN of Mar. 23, 1953, p. 442.



## Repatriation of Korean Prisoners of War

### BASIC U. S. POSITION ON PRISONER QUESTION RESTATED

Press release 269 dated May 15

There have been many questions, and some misunderstanding, about the present status of the armistice negotiations at Panmunjom. It is appropriate, therefore, to restate our basic position and to make clear where we stand.

The Government of the United States, like the Governments of the other U.N. members participating in Korea, has always wanted peace in Korea. We did not start the war in Korea, but we have always been ready to end it on an honorable basis. For almost 2 years we have patiently and persistently sought to bring an end to the war. Our efforts to bring peace to Korea were ignored by the Communists for the first year of the fighting. When armistice negotiations finally began in July 1951, the U.N. Command made every effort to reach an honorable armistice. We have negotiated in good faith and with great patience. We are continuing to negotiate in that way.

The negotiations have been deadlocked for more than a year on the question of prisoners of war. Members of the free world have affirmed that there can be no force used to compel the unwilling prisoners to return to the Communists. That is the fundamental issue between us and the Communists and the one on which we stand.

Some weeks ago the Communists for the first time gave some basis for hoping that they may be prepared to meet the moral judgment of the nations of the world on the prisoner question. After several false starts they finally came forward with a proposal which, with necessary modifications and clarifications, could form a basis for an honorable agreement.<sup>1</sup> On May 13 the U.N. Command accepted many points of this latest Communist proposal as a basis for negotiation and proposed some modifications to make the plan workable. These suggestions are designed to make the plan for taking custody of the prisoners of war who resist repatriation practicable and fair, to protect the prisoners in question, while at the same time satisfying the Communists and the peoples of the world that the decision of these

persons to go home or not to go home is entirely their own. The U.N. Command has sought to reduce the scope of the problem to give maximum protection to all the prisoners, as well as to make the task of the custodial commission manageable.

On one point there can be no question. The principle that force shall not be used to compel resisting prisoners to go home excludes every form of coercion. We cannot, consistently with that principle, create a situation where such persons are offered no alternative to repatriation other than indefinite captivity or custody. The principles for which we have been striving for many months and which have been approved by the United Nations require that the prisoner question should be finally settled, that persons who wish to go home should be allowed to do so and that those who do not shall be released within a reasonable time after the end of hostilities.

The prisoner-of-war question is no technicality but a fundamental point of free world philosophy on the integrity and rights of the individual. Free men cannot and will not agree to regard human beings as mere chattels to be held and used as such. The U.N. Command will continue to explore every possibility for an honorable and reasonable solution in Korea but it will not surrender a fundamental humanitarian principle vital to the whole free world.

### NEW U.N. PROPOSAL FOR SETTLING PRISONER QUESTION

*Following is the text of a proposal submitted on May 13 by the U.N. Command to the Communist negotiators in Korea.*

1. Within 2 months after the Armistice Agreement becomes effective, both sides will, without offering any hindrance, repatriate and hand over in groups all those Prisoners of War in its custody who insist on repatriation to the side to which they belonged at the time of capture. Repatriation shall be accomplished in accordance with the related provisions of Article III of the Draft Armistice Agreement. In order to expedite the processing of such personnel, each side shall, prior to the signing of the Armistice Agreement, exchange the total numbers, by nationalities of personnel to be repatriated direct. Each group delivered to the other side shall be accompanied by rosters, prepared by nationality, to include name, rank (if any) and internment or military Serial Number.

<sup>1</sup> BULLETIN of May 18, 1953, p. 727.

2. A. On the date the armistice becomes effective, all Prisoners of War of Korean nationality who, while in the custody of the detaining powers, have elected not to avail themselves of their right to be repatriated, shall be released to civilian status. Those who may subsequently desire to return to the area under the military control of the side to which they formerly belonged shall be permitted and assisted to do so under the provisions of Article 59 of the Draft Armistice Agreement.

B. Terms of reference for Prisoners of War Custodial Commission.

I. General.

1. In order to insure that all Prisoners of War have the opportunity to exercise their right to be repatriated following an armistice, Sweden, Switzerland, Poland, Czechoslovakia, and India shall each be requested by both sides to appoint a member to a Prisoner of War Custodial Commission which shall be established to take custody in Korea of those Prisoners of War who, while in the custody of the detaining powers, have elected not to avail themselves of their right to be repatriated, and who are not released to civilian status on the date the armistice becomes effective. The Prisoner of War Custodial Commission shall establish its headquarters within the demilitarized zone in the vicinity of Panmunjom. Subordinate bodies of the same composition as the Prisoner of War Custodial Commission shall be stationed at those locations at which the Custodial Commission assumes custody of Prisoners of War.

2. The Armed Forces and any other operating personnel required to assist the Custodial Commission in carrying out its functions and responsibilities shall be provided exclusively by India, whose representative shall also be Chairman and Executive Agent of the Custodial Commission. Representatives from each of the other 4 powers shall be allowed staff assistants in equal number not to exceed 10 each. The arms of all personnel provided for in this paragraph shall be limited to Military Police type small arms.

3. No force or threat of force shall be used against the Prisoners of War specified in paragraph 1 above to prevent or effect their repatriation, and no violence to their persons or affront to their dignity or self-respect shall be permitted in any manner for any purpose whatsoever (but see paragraph 7 below). This duty is enjoined on and entrusted to the Prisoner of War Custodial Commission and each of its representatives. Both sides shall have representatives with appropriate representatives of the Prisoner of War Custodial Commission to determine that any personnel who request return to the other side have not been coerced into making this decision. Prisoners of War shall at all times be treated humanely in accordance with the specific provisions of the Geneva Convention, and with the general spirit of that convention.

II. Custody of Prisoners of War.

4. All Prisoners of War who do not avail themselves of the right of repatriation following the effective date of the Armistice Agreement, or who are not released to civilian status on that date, shall be released from the military control and from the custody of the detaining side as soon as practicable, and, in all cases, within 60 days subsequent to the effective date of the Armistice Agreement to the Custodial Commission at locations in Korea to be designated by the detaining side.

5. The locations specified in the preceding paragraph shall be demilitarized by the withdrawal of the military forces of the detaining side to a distance of at least 2 kilometers from the perimeter of the Prisoners of War installation at the time the Custodial Commission assumes control thereof.

6. Notwithstanding the provisions of paragraph 5 above, the Indian representative is entitled to call upon the detaining side in the area under whose military control Prisoners of War installations are physically located, to provide such administrative and security forces as may be needed to augment the forces provided by India.

Forces so provided shall be under the operational control of the Senior Officer of the Indian Security Forces.

7. Notwithstanding the provisions of paragraph 3 above, nothing in this agreement shall be construed as derogating from the authority of the Custodial Commission to exercise its legitimate functions and responsibilities for the control of the prisoners under this temporary jurisdiction.

III. Verification.

8. Each side shall be afforded an opportunity to verify or ascertain the attitude towards repatriation of its captured personnel while they are in the custody of the Custodial Commission. To this end, its representatives shall be afforded access to its captured personnel to explain to them their rights, and inform them on any matters relating to their return to their homelands, under the following provisions:

A. The number of such verifying representatives shall not exceed 1 per thousand Prisoners of War held in custody by the Custodial Commission, but the minimum shall not be less than 5;

B. The hours during which the verifying representatives shall have access to the prisoners shall be as determined by the Custodial Commission, and generally in accord with Article 53 of the Geneva Convention relative to the treatment of Prisoners of War;

C. All verifications and interviews shall be conducted in the presence of a representative of each member nation of the Custodial Commission;

D. Additional provisions governing verifications shall be prescribed by the Custodial Commission, and will be designed to employ the principles outlined in paragraph 3 above.

9. Prisoners of War in its custody shall have freedom and facilities to make representations and communications to the Custodial Commission and to representatives and agencies of the Custodial Commission and to inform them of their desires on any matter concerning themselves, in accordance with arrangements made for the purpose by the Custodial Commission.

IV. Disposition of Prisoners of War.

10. Any Prisoner of War who, while in the custody of the Custodial Commission, decides to avail himself of the right of repatriation, shall so certify to a body consisting of a representative of each member nation of the Custodial Commission. Upon execution of such certificate, he shall, while still in the custody of the Custodial Commission, be delivered forthwith to the Prisoner of War exchange point at Panmunjom for repatriation under the procedure prescribed in the Armistice Agreement.

11. Sixty days after transfer of custody of the Prisoners of War to the Custodial Commission is completed, Prisoners of War who have not availed themselves of the right to be repatriated shall be released to civilian status, the Custodial Commission ceasing its function and being dissolved.

V. Red Cross Visitation.

12. Essential Red Cross service for Prisoners of War in custody of the Custodial Commission shall be provided by India in accordance with regulations issued by the Custodial Commission.

VI. Press Coverage.

13. The Custodial Commission shall insure freedom of the press by:

A. Providing for observance of the entire operation in South Korea by representatives of the press accredited to the United Nations Command.

B. Providing for observance of the entire operation in North Korea by representatives of the press accredited to the Korean People's Army or the Chinese People's Volunteers.

VII. Logistical Support for Prisoners of War.

14. Each side shall provide logistical support for the Prisoners of War in the area under its military control, delivering required support to the Custodial Commission at an agreed delivery point in the vicinity of each Prisoner of War installation.

15. The cost of repatriating Prisoners of War from the exchange point at Panmunjom shall be borne by the side on which said prisoners depend in accordance with Article 118 of the Geneva Convention.

16. The Custodial Commission is entitled to call upon the detaining side to provide specified unarmed personnel for the operation of facilities or the provision of services within the Prisoner of War installations within the area under its military control.

17. The Custodial Commission shall provide medical support for the Prisoners of War as may be practicable. The detaining side shall provide medical support as practicable upon the request of the Custodial Commission and specifically for those cases requiring extensive treatment or hospitalization. The Custodial Commission shall maintain custody of Prisoners of War during such hospitalization. The detaining side shall facilitate such custody. Upon completion of treatment, Prisoners of War shall be returned to a Prisoner of War installation as specified in paragraph 4 above.

18. The Custodial Commission is entitled to obtain from both sides such legitimate assistance as it may require in carrying out its duties and tasks.

#### VIII. Logistical Support for the Custodial Commission.

19. Each side shall be responsible for providing logistical support for the personnel of the Custodial Commission stationed in the area under its military control, and both sides shall contribute on an equal basis to such support within the demilitarized zone. The precise arrangements shall be subject to determination between the Custodial Commission and the detaining side in each case.

20. Each of the detaining sides shall be responsible for protecting the verifying representatives from the other side while in transit over lines of communication within its area, as set forth in paragraph 23 for the Prisoners of War Custodial Commission, to a place of residence and while in residence in the vicinity of but not within each Prisoners of War installation. The Custodial Commission shall be responsible for the security of such representatives within the actual limits of Prisoners of War installations.

21. Each of the detaining sides shall provide transportation, housing, communication, and other agreed logistical support to the verifying representatives of the other side while they are in the area under its military control. Such services shall be provided on a reimbursable basis.

#### IX. Publication.

22. The terms of this agreement shall be made known to all Prisoners of War who, while in the custody of the detaining power, have failed to avail themselves of their right of repatriation.

#### X. Movement.

23. The movement of the Custodial Commission, its personnel, and repatriated Prisoners of War shall be over lines of communication as determined by the command(s) of the opposing side and the Custodial Commission. A map showing these lines of communication shall be furnished the command of the opposing side and the Custodial Commission. Movement of such personnel, except in the demilitarized areas established in paragraph 5 above, around locations as designated in paragraph 4 above, shall be under the control of, and escorted by, personnel of the side in whose area the travel is being undertaken.

#### XI. Procedural Matters.

24. The interpretation of this agreement shall rest with the Custodial Commission. The Custodial Commission, and/or any subordinate bodies to which functions are delegated or assigned by the Custodial Commission, shall operate on the basis of unanimity, except with respect to procedural matters; on procedural matters decision shall be by majority vote.

25. The Custodial Commission shall make reports to the opposing commanders once each week concerning the status of Prisoners of War in its custody and any other important matters relating to its functions and responsibilities.

26. When this agreement has been acceded to by both sides and by the 5 powers named herein, it shall become effective upon the date the armistice becomes effective.

### CORRESPONDENCE WITH SENATOR KNOWLAND

*Following is the text of a letter addressed to Secretary Dulles by Senator William F. Knowland of California and of the reply from Thruston B. Morton, Assistant Secretary for Congressional Relations:*<sup>1</sup>

APRIL 6, 1953.

DEAR MR. SECRETARY: Enclosed is some information<sup>2</sup> relative to the prisoner-of-war situation which was forwarded to me by Mr. Christopher Emmet. I believe that he also sent the same material to you, but knowing how busy you are I am not sure whether you have had a chance to examine the same or not. I believe that it is extremely important in light of the discussions which are now going on and may be contemplated in the future.

I have recently received some figures that disturbed me and for which there appears to be no satisfactory explanation at the present. On May 9, 1952, the following situation prevailed among the prisoners-of-war in Korea relative to their desire to be returned to Communist hands or their determination to resist being returned to Communist hands. Frankly, I have never been satisfied that we had made the fullest use of the opportunity of exploiting the adverse effect upon the Communist world of this situation. I am satisfied from reports reaching me that the questions were all loaded against the person who had the desire to remain outside of the Iron Curtain and in favor of his returning. It was only those who felt so strongly that they said they would resist return by force that were included in the "no" column. The figures are as follows:

	No (would not return)	Yes (would return)	Total
1952, May 9:			
Chinese.....	15, 600	5, 100	20, 700
North Koreans.....	42, 100	53, 900	96, 000
South Korean Com- munists.....	12, 200	3, 800	16, 000
Total.....	69, 900	62, 800	132, 700
1953, Feb. 3 (no breakdown by nationality):			
Chinese.....			21, 106
North Koreans.....			101, 620
South Korean Com- munists.....			
Total.....	39, 726	83, 000	122, 726

<sup>1</sup> Reprinted from *Cong. Rec.* of May 1, 1953, p. 4427.

<sup>2</sup> Not printed here.



Just what does this mean? Have we permitted further Communist propaganda urging the return of unwilling prisoners of war or has the moral effect of words spreading in the prisoner-of-war camps that while the Communists can return to their homeland, the best that the prisoners who want no part of the Iron Curtain again can look forward to is more or less permanent retention by so-called neutrals who at almost any time may finally agree to surrender them to the tender mercies of the Communists?

With best personal regards, I remain

Sincerely yours,

WILLIAM F. KNOWLAND.

APRIL 22, 1953.

MY DEAR SENATOR KNOWLAND: I have received your letter of April 6, 1953, acknowledged by telephone on April 10, concerning prisoners of war held by the U.N. command in Korea, and enclosing a study about the Indian cease-fire plan, which I am returning. Thank you for your courtesy in making this material available to the Department.

The officers concerned with Korean affairs have made a careful study of your letter and have given me the following information: During the course of the hostilities in Korea, the U.N. command, as required by the Geneva Convention, notified the international committee of the Red Cross of the names of some 175,000 captured personnel and the ICRC transmitted this information to the Communists. On December 18, 1951, when the U.N. command and the Communists were first discussing the Pow exchange at Panmunjom, the U.N. command gave to the Communists a list of approximately 132,500 Pow's, consisting of approximately 21,000 Chinese and more than 111,000 Koreans.

The difference between the figure of 175,000 given to the ICRC and the 132,500 subsequently given to the Communists is accounted for by the fact that the U.N. command had reclassified as civilian internees almost 38,000 persons of South Korean origin who had been swept into U.N. compounds during the rapid northward advance of U.N. forces in the fall of 1950; there were also approximately 5,000 duplicated names. Of the nearly 38,000 civilian internees, approximately 28,000 expressed the desire to remain in South Korea and were subsequently released. The remaining 9,500 indicated their desire to return to North Korea and continue to be in the custody of

the U.N. command for ultimate repatriation to Communist areas.

Included in the list of 132,500 were approximately 16,000 former residents of South Korea who were still classified as Pow's. Of these, some 11,000 expressed the desire to remain in South Korea and were later reclassified and released by the U.N. command. The remaining 5,000 expressed the desire to return to North Korea and continue to remain in the custody of the U.N. command for ultimate repatriation to Communist areas.

Of the other 116,500 Pow's not included in the foregoing category, approximately 34,000 North Koreans and 14,000 Chinese indicated that they would resist repatriation; more than 62,000 North Koreans and more than 6,500 Chinese were found to be available for repatriation to Communist areas.

Following is a breakdown of persons who are presently remaining in the custody of the U.N. command:

Classification	Approximate number
Available for repatriation:	
Korean POW's	68,000
Korean civilian internees	9,500
Chinese	6,500
Total	84,000
Persons resisting repatriation:	
Koreans	34,000
Chinese	14,500
Total	48,500

There has been no significant change in figures of persons desiring to return to Communist areas in the period from late June 1952, when the screening was completed, to the present time. It should be noted that on May 9, 1952, the date on which your first tabulation is based, the screening had not as yet been completed and the release of persons in the civilian internee and South Korean Pow categories had not yet taken place.

The Department is, of course, aware of the effect on prisoners of war inherent in a possible solution which would only provide the alternatives of return to Communist persecution, or more or less indefinite detention by "neutrals." You may be sure that if the armistice negotiations are resumed at Panmunjom, General Clark will have this problem very much in mind.

Sincerely yours,

THRUSTON B. MORTON

Assistant Secretary

(For the Secretary of State).

## Conference on U.S.-Ecuadoran Fishery Relations

*A conference on fishery relations between the Governments of the United States and Ecuador was held at Quito, Ecuador, from March 25 to April 14, 1953. Following are the declarations, agreements, resolutions, and recommendations approved by the conference:*

### I

The Conference on United States-Ecuadoran Fishery Relations, with reference to Agenda Point 1,<sup>1</sup>

RECORDS: That it has received information from and views of the Delegations on the questions which have arisen as a result of the seizures of the United States fishing vessels *Notre Dame*, *Sun Pacific*, *Equator*, and *Venus*.

### II

The Conference on United States-Ecuadoran Fishery Relations, with reference to Agenda Point 2,<sup>2</sup>

AGREES: That the principal causes of the difficulties which have characterized United States-Ecuadoran fishery relations include:

1. The difference in views of the Governments of the United States and Ecuador with respect to the principles of international law applicable to the extent of territorial waters and the measurement thereof.<sup>3</sup>

2. The difference in views of the Governments of the United States and Ecuador with respect to the principles of international law applicable to innocent passage of fishing vessels.

3. The withdrawal of the privilege of obtaining licenses valid for fishing in Ecuadoran territorial waters on the continental coast.

<sup>1</sup> "Questions which have arisen as a result of the seizures of fishing vessels of the United States of America."

<sup>2</sup> "Examination in toto of the acts which caused the difficulties which have characterized United States-Ecuadoran fishery relations."

<sup>3</sup> For an article on U.S. policy on fisheries and territorial waters by William C. Herrington, who was chairman of the U.S. delegation to this conference, see BULLETIN of June 30, 1952, p. 1021.

4. The withdrawal of the privilege of obtaining licenses by radio to fish in Ecuadoran waters.

5. The current United States Government system of issuing clearances bearing the destination "high seas" and the use of these clearances and of "via la pesca" by United States fishing vessels.

### III

The Conference on United States-Ecuadoran Fishery Relations, with reference to Agenda Point 3,<sup>4</sup>

CONSIDERING: That the Conference in analyzing the causes of difficulties in the fishery relations between the United States and Ecuador, in connection with the seizures of the fishing vessels *Notre Dame*, *Sun Pacific*, *Equator* and *Venus*, studied the points of view of the two countries with respect to territorial waters and innocent passage;

That the Conference heard the statements of the United States and Ecuadoran Delegations with respect to the legislation and jurisprudence of their respective countries relating to territorial waters and innocent passage;

That the Conference noted the substantial differences in the positions of the two countries; and

That the powers of the Delegations do not extend so far as reconciling these differences or recommending measures in the international field which would affect world interests;

AGREES: That it is not within its competence to resolve differences in legal dispositions and juridical concepts of the United States and Ecuador regarding territorial waters and innocent passage, the principles of which in any event are not susceptible of bilateral determination since these principles are matters for determination only by the general agreement of maritime States.

<sup>4</sup> "Ways and means of bringing about greater cooperation in fishery matters of mutual interest and to the benefit of the two countries."

#### IV

The Conference on United States-Ecuadoran Fishery Relations, with reference to Agenda Point 3,

**RESOLVES:** To take note that natural and juridical persons and other organizations of foreign nationality which conduct fishery operations on land or sea areas under Ecuadoran jurisdiction, are required, in their relations with Ecuador, to subject themselves to Ecuadoran fishing laws, decrees, and regulations.

#### V

The Conference on United States-Ecuadoran Fishery Relations, with reference to Agenda Point 3,

##### **RECOMMENDS:**

1) That as an interim measure and as soon as may be convenient the validity of fishing licenses issued to United States vessels by the Government of Ecuador be extended to include the territorial waters of her continental coast.

2) That as an interim measure and as soon as may be convenient fishing licenses be granted by radio by Ecuador, subject to adequate controls.

3) That the United States Government review as soon as may be convenient its current law and practice with respect to

a) Clearances for United States fishing vessels with destination "the high seas", including "via la pesca", and "touch and trade", and

b) Professional qualifications of officers and condition of navigability, supplies, and so forth, of fishing vessels with such destination, in order to determine what modifications may be needed to obviate or minimize problems in the territorial waters of Ecuador.

4) That, being convinced that there are other measures to be considered which will promote the solution of problems and development of activities beneficial to both the United States and Ecuador, a second conference on fishery relations be held as soon as practicable, preferably by the end of May, 1953 in the United States, to deal with the following agenda:

a) The advantages and disadvantages to be achieved by making permanent the measures recommended under 1) and 2) above, relating to licenses to fish including Ecuadoran continental waters, and to the issuance by radio of licenses to fish, to determine what modifications might be needed.

b) Consideration of possible changes in law and practice in the United States concerning the issuance of clearances to United States fishing vessels bearing destination "the high seas", "via la pesca", and "touch and trade".

c) The granting to fishing vessels holding fishing permits for Ecuadoran territorial waters the same port privileges granted to merchant vessels.

d) The granting to fishing vessels not holding such fishing permits, of port privileges under circumstances of necessity, and a point by point clarification of the privileges and responsibilities of vessels permitted such entry.

e) The possibility of the Governments or private interests of the United States or Ecuador establishing a fueling station in Ecuadoran territory on the Island of San Cristobal of the Colon Archipelago, or on whatever other island is more suitable, to take care of fueling requirements of the merchant and fishing fleets of the United States and Ecuador in accordance with existing regulations.

f) The development of measures for effective interchange of information concerning fishery laws, decrees, and regulations of the two countries affecting foreign fishing vessels.

g) Consideration of the objectives and research program of the Inter-American Tropical Tuna Commission and the advantages which might accrue to Ecuador through adherence to the Inter-American Tropical Tuna Convention.

h) Consideration of other problems and activities, the inclusion of which shall be agreed upon by the Governments of both countries.

5) That the Governments of the United States and Ecuador study the possibility of periodic meetings for the analysis of their fishery problems and for the consideration of recommendations derived therefrom.

5) That the Governments of the United States and Ecuador investigate means to embody in a fishery convention the results achieved at this Conference together with other ways and means of bringing about greater cooperation in fishery matters of mutual interest and benefit to the two countries.

#### VI

The Conference on United States-Ecuadoran Fishery Relations

**RESOLVES:** To express its profound thanks to His Excellency Dr. José Maria Velasco Ibarra, President of the Republic of Ecuador, for the propitious and hospitable atmosphere which he provided for the Conference and which led to the successful outcome of its deliberations.

#### VII

The Conference on United States-Ecuadoran Fishery Relations

**RESOLVES:** To extend to their Excellencies, Minister of Economy Mr. Jaime Nebot Velasco, Minister of Foreign Affairs Dr. Teodoro Alvarado Caracocha, Minister of Defense Dr. Carlos Julio Arosemena Monroy and Minister of the Treas-



ury Dr. Wilson Vela, and to His Excellency, Paul C. Daniels, Ambassador of the United States of America to Ecuador, its sincere thanks for their wise counsel and generous cooperation in meeting all material requirements for the full success of the Conference.

IN WITNESS WHEREOF the respective Delegates sign this Final Act this Pan American Day, April fourteenth, nineteen hundred and fifty three, in duplicate in the English and Spanish languages, both texts being equally authentic, depositing one set in the two languages in the Ministry of Foreign Affairs of Ecuador and the other set in the two languages in the Department of State of the United States of America.

For the United States of America:	For the Republic of Ecuador:
WILLIAM C. HERRINGTON	RENÉ ESPÍNDOLA
	CORONEL
WARREN FRANCIS LOONEY	OCTAVIO DONOSO
	VELASCO
THOMAS J. MALEADY	GUSTAVO SALGADO
	ALBERTO BARRIGA
HAROLD F. CARY	LEDESMA
	MILTON MONTALVO
DONALD P. LOKER	MARCO VAREA DONOSO
	CÉSAR RAZA

## U.S. Delegations to International Conferences

### U.N. Opium Conference

The Department of State announced on May 11 (press release 258) that Harry J. Anslinger, Commissioner of Narcotics, Department of the Treasury, and U.S. representative on the U.N. Commission on Narcotic Drugs, has been designated U.S. delegate to a U.N. International Opium Conference which is to open at New York on May 11.

Alfred L. Tennyson, Bureau of Narcotics, Department of the Treasury, has been designated alternate U.S. representative; and George A. Morlock, Office of U.N. Economic and Social Affairs, Department of State, has been designated adviser.

The purpose of the conference will be to complete the drafting of and to adopt a protocol for the limitation of the production of opium.

Invitations to the forthcoming conference were issued in March 1953 to all States members of the United Nations, as well as to those nonmember States which are parties to one or more of the existing international narcotic treaties.

### International Dairy Congress

The Department of State announced on May 14 (press release 264) that the U.S. delegation to the 13th International Dairy Congress, to be held at The Hague, Netherlands, June 22-26, 1953, will include:

May 25, 1953

### Chairman

Ralph E. Hodgson, Assistant Chief, Bureau of Dairy Industry, Agricultural Research Administration, Department of Agriculture

### Delegates

Benjamin F. Castle, Executive Director, Milk Industry Foundation  
Charles W. England, Director of Research, C. Y. Stephens Dairy Industries, Washington, D.C.  
B. S. Graham, Executive Secretary, Central Oklahoma Milk Producers Association  
T. Kline Hamilton, Past President, Milk Industry Foundation, Columbus, Ohio  
Milton Hult, President, National Dairy Council  
Otto F. Hunziker, La Grange, Ill.  
Eugene L. Jack, Division of Dairy Industry, University of California  
James C. Norgaard, General Manager, Farmers Union Co-operative Creamery Company, Superior, Nebr.  
Lester S. Olsen, President, Olsen Publishing Company, Milwaukee, Wis.  
Arthur C. Ragsdale, Chairman, Department of Dairy Husbandry, College of Agriculture, University of Missouri  
Frank E. Rice, Executive Secretary, Evaporated Milk Association, Chicago, Ill.  
Harry C. Trelogan, Dairy Economist, Assistant Administrator for Marketing, Agricultural Research Administration, Department of Agriculture  
George M. Trout, Professor of Dairy Husbandry, Michigan State College  
Herman D. Weihe, Bureau of Dairy Industry, Agricultural Research Administration, Department of Agriculture

### Secretary

Robert A. Brand, Second Secretary of Embassy, American Embassy, The Hague

The scientific program of the forthcoming Congress consists of subjects on which there can be a profitable exchange of information by members of the dairy industries of the United States and of European countries.

The meetings of one section of the Congress, concerned with "milk as a raw material," will study such topics as the influence of feeding upon the quality of milk, the production of bacteriologically good milk, the avoidance of deterioration in the quality of milk during transportation, and procedures for grading milk.

A section concerned with the "processing and utilization of milk" will deal with topics relating to the concentration (evaporation, freezing, drying) of milk, the ripening of cheese, changes in the quality of butter during storage, and the use of milk in the form of other products, including yogurt, ice cream, and chocolate milk.

Other sections of the Congress will deal with specialized topics of concern to the dairy industry in respect to "equipment and buildings," "fundamental research," and "economics."

### Rubber Study Group

The Department of State announced on May 8 (press release 251) that the U.S. delegation to the tenth meeting of the Rubber Study Group, scheduled to open at Copenhagen on May 11 will be as follows:

### Delegate

Willis C. Armstrong, Deputy Director, Office of International Materials Policy, Department of State

### Alternate Delegate

George H. Alexander, Chief, Rubber, Fibers and Hides Branch, Agricultural Products Staff, Department of State

#### *Congressional Adviser*

Paul Shafer, House of Representatives

#### *Government Advisers*

John R. Blandford, Counsel of the Armed Services Committee, House of Representatives  
George K. Casto, Chief, Rubber Division, General Services Administration  
Edelen Fogarty, Assistant Attaché, American Embassy, Copenhagen  
Everett G. Holt, Assistant Chief, Rubber Division, National Production Authority, Department of Commerce  
Morton Yohalem, Special Deputy, Rubber Facilities Disposal, Reconstruction Finance Corporation

#### *Industry Advisers*

John L. Collier, President, B. F. Goodrich Company  
Harvey S. Firestone, Jr., Chairman, Firestone Tire and Rubber Company  
Frederick T. Koyle, Partner, Carl M. Loeb, Rhoades and Company  
William F. O'Neil, President, General Tire and Rubber Company  
David A. Paterson, Chairman, H. A. Astlett and Company  
Thomas Robins, Jr., President, Hewitt-Robins, Inc.  
George M. Tisdale, Vice President, U.S. Rubber Company  
Gilbert K. Trimble, Executive Vice President, Midwest Rubber Reclaiming Company  
A. L. Viles, President, Rubber Manufacturers Association  
Robert S. Wilson, Vice President, Goodyear Tire and Rubber Company  
R. D. Young, President, Rubber Trade Association of New York, Inc.

Following exploratory talks concerning rubber which were held at London in August 1944 by representatives of the Governments of the Netherlands, the United Kingdom, and the United States, the Rubber Study Group was organized to serve as an advisory body for the study of the world rubber position, of measures designed to expand the world consumption of rubber, and of means of dealing with any problems which might arise concerning international trade in rubber.

The Study Group will review a report from its Statistical Committee on the production and consumption of rubber throughout the world and will receive and discuss statements by the participating delegations concerning developments within their respective countries having an effect on the production and consumption of rubber. In addition, the Study Group will receive a report from a working party which was established by the Group at its ninth meeting (Ottawa, May 5-9, 1952) "to consider whether measures designed to prevent burdensome surpluses or serious shortages of rubber are necessary and practicable."

#### **Standing Committee on Performance (ICAO)**

The Department of State announced on May 6 (press release 246) that the U.S. delegation to a meeting of the International Civil Aviation Organization's Standing Committee on Performance which opened on May 6 at Paris, France, will include:

##### *U.S. Member*

Raymond B. Maloy, Civil Aeronautics Administration, Washington, D. C.

##### *Alternate U.S. Member*

Hugh B. Freeman, Civil Aeronautics Board, Department of Commerce

#### *Advisers*

P. Stanley Nowlan, Jr., United Airlines, San Francisco, Calif.  
John A. Carran, Civil Aeronautics Administration, Washington, D.C.  
W. E. Koneczny, Civil Aeronautics Board, Department of Commerce

#### **World Health Assembly (WHO)**

The Department of State announced on May 5 (press release 243) that the U.S. delegation to the Sixth World Health Assembly which convened at Geneva on May 5 includes the following:

##### *Chairman (Chief Delegate)*

Leonard A. Scheele, M. D., Surgeon General, Public Health Service, Department of Health, Education and Welfare

##### *Delegates*

Leonard W. Larson, M. D., Member, Board of Trustees, American Medical Association, Bismarck, N. Dak.  
Franklin D. Murphy, M. D., Chancellor, University of Kansas, Lawrence, Kans.

##### *Alternate Delegates*

Frederick J. Brady, M. D., Division of International Health, Public Health Service, Department of Health, Education and Welfare  
H. van Zile Hyde, M. D., Chief, Division of International Health, Public Health Service, Department of Health, Education and Welfare  
Howard B. Calderwood, Office of United Nations Economic and Social Affairs, Department of State

#### *Congressional Advisers*

Homer D. Angell, House of Representatives  
Wayne L. Hays, House of Representatives

#### *Advisers*

Carol C. Laise, Division of International Administration, Department of State  
Carl N. Neupert, M. D., State Health Officer, Wisconsin State Board of Health, Madison, Wis.  
Ruth Sleeper, Director, School of Nursing and Nursing Services, Massachusetts General Hospital, Boston, Mass.  
Robert T. Stormont, Secretary, Council on Pharmacy and Chemistry, American Medical Association, 535 North Dearborn St., Chicago, Ill.  
Knud Stowman, International Health Representative, Division of International Health, Public Health Service, Department of Health, Education and Welfare  
Thomas F. Whayne, Colonel, (M. C.), U.S.A., Chief of Preventative Medicine, Department of the Army

##### *Secretary of Delegation*

Henry F. Nichol, Conference Attaché, Resident U.S. Delegation for International Organization Affairs at Geneva, Geneva, Switzerland

##### *Administrative Officer*

Mason A. LaSelle, Assistant Conference Attaché, Resident U.S. Delegation for International Organization Affairs at Geneva, Geneva, Switzerland

Besides reviewing the work and program of the Who, the participants in the Sixth World Health Assembly will deal with such questions as the coordination of the activities of the Who with those of the United Nations and other specialized agencies, the rights and obligations of associate members, the frequency of sessions of the As-

sembly, the decentralization of the work of the organization through the assignment of greater responsibilities to regional committees, and the budget of the Who for 1954. The delegates to the Assembly will also have an opportunity to participate in technical discussions on the control of tuberculosis, syphilis, and typhoid, and on the different methods of applying health techniques.

#### Cotton Advisory Committee

The Department of State announced on May 1 (press release 231) that the International Cotton Advisory Committee will hold its Twelfth Plenary Meeting at Washington, D.C., beginning on May 4, 1953.

The U.S. Government will be represented at that meeting by the following delegation:

##### Delegate

Romeo E. Short, Director of the Foreign Agricultural Service, Department of Agriculture

##### Associate Delegate

E. D. White, Deputy Director, Food and Agriculture Division, Mutual Security Agency

##### Alternate Delegates

F. Marion Rhodes, Director, Cotton Branch, Production and Marketing Administration, Department of Agriculture

Willard O. Brown, Chief, Agricultural Products Staff, Office of International Materials Policy, Department of State

##### Advisers

Arthur W. Palmer, Head, Cotton Division, Foreign Agricultural Service, Department of Agriculture

Oscar Zaglits, Head, Foreign Agricultural Trade and Policies Division, Foreign Agricultural Service, Department of Agriculture

Rene Lutz, Deputy Assistant Director for Foreign Requirements and Claimancy, Office of International Trade, Department of Commerce

Read P. Dunn, Jr., Foreign Trade Director, National Cotton Council, Washington, D.C.

##### Adviser and Secretary

Eulalia L. Wall, International Economist, Agricultural Products Staff, Office of International Materials Policy, Department of State

It is expected that the Committee will be chiefly concerned at its forthcoming meeting with reports by the participating delegations on the cotton situation in their respective countries and its program of work and budget.

#### Administrative Council (ITU)

The Department of State announced on May 1 (press release 226) that Francis Colt de Wolf, Chief, Telecommunications Policy Staff, Department of State, and U.S. representative on the Administrative Council of the International Telecommunication Union (ITU) will attend the session of the Council which is to open at Geneva May 2, 1953.

Mr. de Wolf will be assisted at the forthcoming Council session by the following advisers: Helen G. Kelly, Telecommunications Policy Staff, Department of State, and Wayne Mason, Telecommunications Attaché of the American Legation at Bern, who is resident at Geneva.

The United States was re-elected to membership in the Administrative Council, the governing body of the ITU, at the Plenipotentiary Conference of the ITU which was held at Buenos Aires October 3-December 22, 1952. The other countries elected to membership at that conference are, as follows: Argentina, Brazil, Canada, China, Czecho-

slovakia, Egypt, France, India, Italy, Mexico, Pakistan, Spain, Switzerland, Turkey, Union of Soviet Socialist Republics, United Kingdom, and Yugoslavia.

Resolutions adopted at the Buenos Aires conference had the effect of increasing the powers and responsibilities of the Administrative Council. It was directed, among other things, to reclassify the personnel of the permanent organs of the ITU and to determine the salaries of officials in accordance with a scale adopted by the conference; to study questions relating to revision of the existing pension system; and to arrive at a decision regarding the provision of larger headquarters premises for the Union. At a special organizational meeting at Buenos Aires of the newly elected Council, it was also agreed that one of the most important matters to be dealt with by the Council at its 1953 spring session would be the election of a new Secretary General of the ITU.

#### THE FOREIGN SERVICE

#### William H. Draper, Jr., Resigns as U.S. Special Representative

On May 11, 1953, President Eisenhower accepted the resignation of William H. Draper, Jr., as U.S. special representative in Europe, effective June 30. For text of Mr. Draper's letter of resignation and the President's reply, see White House press release of May 11.

#### Confirmation

The Senate on May 13 confirmed Horace A. Hildreth as Ambassador to Pakistan.

#### Check List of Department of State Press Releases: May 11-16, 1953

Releases may be obtained from the Office of the Special Assistant for Press Relations, Department of State, Washington 25, D. C.

Press releases issued prior to May 11 which appear in this issue of the BULLETIN are Nos. 226 of May 1, 230 of May 1, 231 of May 1, 233 of May 4, 241 of May 5, 243 of May 5, 246 of May 6, 251 of May 8, and 255 of May 9.

No.	Date	Subject
256	5/11	Austrian question
257	5/11	Dulles: Laos Constitution Day
258	5/11	U.N. Opium Conference
259	5/12	Visit of Jean Monnet
†260	5/14	Cabot: Technical cooperation
†261	5/14	Australian tax conventions
†262	5/13	Film projects for IIA
263	5/14	Visit of Indian Vice President
264	5/14	International Dairy Congress
†265	5/15	Remedial Works for Niagara Falls (Germany): Ebc, contractual conventions ratified
267	5/15	Dulles: World trade week
*268	5/16	Dulles: Armed Forces Day
269	5/15	U.S. position on prisoner question

\*Not printed.

† Held for a later issue of the BULLETIN.



**Correction**

BULLETIN of May 18, 1953 (No. 725)—Date in upper left-hand corner of back cover, "May 11, 1953," should be corrected to read, "May 18, 1953."

**Aviation**

Standing Committee on Performance (Icao) . . . 762

**American Republics**

BRAZIL: Loan agreement . . . 754

ECUADOR: Conference on U.S.-Ecuadoran fishery relations . . . 759

**Asia**

INDIA: Visit of Indian vice president . . . 752

**KOREA:**

Basic U.S. position on prisoner question restated . . . 755

Correspondence with Sen. Knowland on prisoners of war . . . 757

New U.N. proposal for settling prisoner question . . . 755

LAOS: Constitution Day . . . 752

PAKISTAN: Confirmation of Hildreth . . . 763

**Canada**

Special committee's report on St. Lawrence seaway project . . . 753

U.S., Canada discuss mutual problems (text of joint communique) . . . 752

**Congress**

Correspondence with Sen. Knowland on prisoners of war . . . 757

Mutual Security Program for 1954 presented to Congress (Eisenhower, Dulles, Stassen) . . . 735

President recommends commission to review commercial policy . . . 747

Support for extension of trade agreements act (Dulles, Stassen) . . . 743

**Europe****AUSTRIA:**

New meeting of Austrian treaty deputies . . . 751

Unification of Austrian exchange system . . . 751

FRANCE: Visit of Jean Monnet . . . 754

GERMANY: Libraries in Italy restored to former ownership (text of agreement) . . . 749

GREECE: Problems discussed . . . 752

U.S.S.R.: Proposed high-level conference with the Soviets (McDermott) . . . 748

**Finance**

Brazilian loan agreement . . . 754

Unification of Austrian exchange system . . . 751

**Fisheries**

Conference on U.S.-Ecuadoran fishery relations . . . 759

**Foreign Service**

Confirmation of Hildreth . . . 763

Resignation of Draper . . . 763

**Industry**

International Dairy Congress . . . 761

**International Meetings**

Proposed high-level conference with the Soviets (McDermott) . . . 748

**U.S. DELEGATIONS:**

Administrative Council (Iru) . . . 763

Cotton Advisory Committee . . . 763

International Dairy Congress . . . 761

Rubber Study Group . . . 761

Standing Committee on Performance (Icao) . . . 762

U.N. Opium Conference . . . 761

World Health Assembly (Who) . . . 762

**Mutual Security**

Mutual Security Program for 1954 presented to Congress (Eisenhower, Dulles, Stassen) . . . 735

**Presidential Documents**

President recommends commission to review commercial policy . . . 747

**Prisoners of War**

Basic U.S. position on prisoner question restated . . . 755

Correspondence with Sen. Knowland on prisoners of war . . . 757

New U.N. proposal for settling prisoner question . . . 755

**State, Department of**

Laos Constitution Day . . . 752

**Trade**

President recommends commission to review commercial policy . . . 747

Support for extension of trade agreements act (Dulles, Stassen) . . . 743

World trade week (Dulles) . . . 748

**Transportation**

Special committee's report on St. Lawrence seaway project . . . 753

U.S., Canada discuss mutual problems (text of joint communique) . . . 752

**Treaty Information**

Conference on U.S.-Ecuadoran fishery relations . . . 759

German libraries in Italy restored to former ownership (text of agreement) . . . 749

New meeting of Austrian treaty deputies . . . 751

**United Nations**

Administrative Council (Iru) . . . 763

Basic U.S. position on prisoner question restated . . . 755

Correspondence with Sen. Knowland on prisoner of war . . . 757

New U.N. proposal for settling prisoner questions . . . 755

U.N. Opium Conference . . . 761

World Health Assembly (Who) . . . 762

**Name Index**

Anslinger, Harry J. . . . 761  
 Armstrong, Willis C. . . . 761  
 de Wolf, Francis Colt . . . 763  
 Draper, William H., Jr. . . . 763  
 Dulles, Secretary . . . 736, 743, 748  
 Eisenhower, President . . . 735, 747  
 Hall, Ardella R. . . . 749  
 Hildreth, Horace A. . . . 763  
 Hodgson, Ralph E. . . . 761  
 Knowland, William F. . . . 757  
 Maloy, Raymond B. . . . 762  
 McDermott, Michael J. . . . 748  
 Monnet, Jean . . . 754  
 Morton, Thurston B. . . . 758  
 Radhakrishnan, S. . . . 752  
 Scheele, Leonard A. . . . 762  
 Short, Romeo E. . . . 763  
 Stassen, Harold E. . . . 740, 746